

Natural Resources Library
U. S. Department of the Interior
Washington, D.C. 20240

LIBRARY USE ONLY

E

98

F3P752

v. 2

(D)

T-197

REVIEW OF INDIAN TRUST FUND MANAGEMENT
FOR

BUREAU OF INDIAN AFFAIRS

~~TASK II~~ DOCUMENTATION
OF CURRENT OPERATIONS
AND PROCEDURES

DRAFT REPORT

SEPTEMBER 26, 1983

Pricewaterhouse

DOI Library



OFFICE OF GOVERNMENT SERVICES

1801 K STREET N.W.
WASHINGTON, DC 20006
202 296-0800

September 16, 1983

Mr. John Vale
Chief, Branch of Investments
Bureau of Indian Affairs
Post Office Box 886
Albuquerque, New Mexico 87103

Dear Mr. Vale

Re: In-depth Review of Indian Trust Fund Management
Contract Number K51C14201201

We have completed Task 2 of this engagement. The product of Task 2 is the enclosed documentation of the methods used by the Bureau of Indian Affairs to manage the Indian trust funds. The flowcharts, descriptions, and statistics presented in the documentation were prepared to serve as the basis for the analyses to be conducted during Task 3 and Task 4.

~~During preparation of our documentation several significant issues were identified which represented potential opportunities for the BIA to improve its management activities in the area of Tribal Trust Funds and to achieve certain operating efficiencies.~~ As part of Tasks 3 and 4, we will examine these matters further and present appropriate recommendations in time. The issues are summarized below for your preliminary review.

1. While the Branch of Investments has the capability to evaluate the market value of securities using the MONEY-MAX System, this is not done on a routine, periodic basis. It is less critical to monitor the market value of short-term securities as they are typically held to maturity. It is critical, however, to monitor the market value of long-term securities where trading in

the secondary market may enhance the value of Trust Fund portfolios.

2. The Branch of Investments does not receive a routine cash report indicating the cash available for investment and the cash balance residing in the U.S. Treasury. Currently this information must be derived from analysis of manual ledgers referred to as the Central Office Control Accounts. See Exhibit II-1, page 7 of 7.
3. Documentation of the systems and procedures related to the accounting and management information processes that support the management of Tribal Trust Funds is not comprehensive. In addition, the documentation in many instances does not reflect the actual procedures in use by BIA staff.
4. Time lags between the receipt of cash, the preparation of deposit tickets, and the subsequent notification of the central office of the cash receipt, have been observed at the sites we visited. This has two consequences; first, interest at 4% is lost until the date of the deposit ticket; secondly, the opportunity to invest the cash is lost until the Branch of Investments receives notification of cash receipts. Such notification may be provided by telephone, EFT wire, or from the Accounting System. (See Exhibit II-3 and Exhibit V-6)
5. Tribal use of the IIM accounts as working capital accounts for tribal operations and tribal enterprises places the Branch of Investments of the BIA in the position of providing short-term cash management services (see Exhibit V-5). Such services have commercial value and are normally offered by full-service banks. The Code of Federal Regulations (25 CFR 115.6) specifies that IIM account holders will be encouraged to use commercial banks. It also says that voluntary deposits will only be accepted if non-acceptance will cause "substantial hardship."
6. Full-time investment coordinators were not designated at the agency sites that we visited. Furthermore, the investment coordinators report to their agency and area directors, rather than the Branch of Investments. This staffing arrangement may reduce the speed and effectiveness with which the Branch of Investments can coordinate with the tribes to respond to volatile capital markets.

TABLE OF CONTENTS

Section I	Introduction
Section II	Cash Receiving Process
Section III	Investment Process
Section IV	Cash Disbursing Process
Section V	Profile of Agency and Area Offices Visited
Section VI	Specific Reporting Requirements of the Office of Management and Budget and the United States Treasury Pertaining to Indian Trust Funds
Section VII	Level of Systems Automation in the Central Office in Albuquerque and the Field Offices Visited
Appendix A	Cash-Receiving Process; Samples of Key Forms and Reports
Appendix B	List and Samples of Forms Used in the Investment Process
Appendix C	Cash-Disbursing Process; Samples of Key Forms and Reports

I. INTRODUCTION

The purpose of the Task II report is to present the results of our fact-finding effort regarding the management of the Indian trust funds. Exhibit I-1 summarizes the elements of the cash receiving process, the investment process, and the cash disbursing process that we address in this report. We have focused on transactions that cause cash to enter or leave the following five Indian trust funds:

- o Tribal Trust Fund
- o Individual Indian Monies (IIM)
- o Indian Monies Proceeds of Labor (IMPL)
- o Contributions
- o Alaska Native Escrow Fund

~~The number of transactions, the size of the transactions and the total value of the trust funds managed by the Bureau of Indian Affairs (BIA) has increased dramatically in the period from January 1980 to June 1983.~~ Exhibit I-2 presents a graph of the total value of the Indian trust funds during this period. One consequence of the rapid growth of the trust funds is that transaction processing methods are undergoing considerable change. As a point of departure for the analytical efforts in Task III and Task IV, we have reported the process in its current form as it has been described to us. We have not described changes in the process or in the BIA organization expected to occur at some time in the future.

Bureau Methods

The descriptions of the trust fund management process and the related accounting procedures are based on interview data obtained during interviews with BIA Central Office staff and with staff at the area offices and agency offices where we conducted site visits. Contrary to our original expectations, comprehensive and current documentation for transaction processing procedures used to manage the Indian trust funds was unavailable.

A large part of the trust fund management process involves coordination with the trust fund participants through the 83 BIA agency offices and the 12 area offices. To document this part of the process, we conducted site visits at four agency offices and two area offices that BIA officials indicated were representative of the environment in which local trust fund issues are resolved. Visits to the following sites were made during the summer of 1983:

- o Cheyenne River Agency
- o Colorado River Agency
- o Osage Agency
- o Warm Springs Agency
- o Anadarko Area Office
- o Portland Area Office

Sample transaction volume data and sample funds flow data from agency and area offices were provided by BIA staff at the sites that we visited. Efforts to obtain Bureau-wide data for all area and agency offices revealed that the data could not be obtained from the BIA accounting system in a form amenable to analysis in time to be included in our analysis.

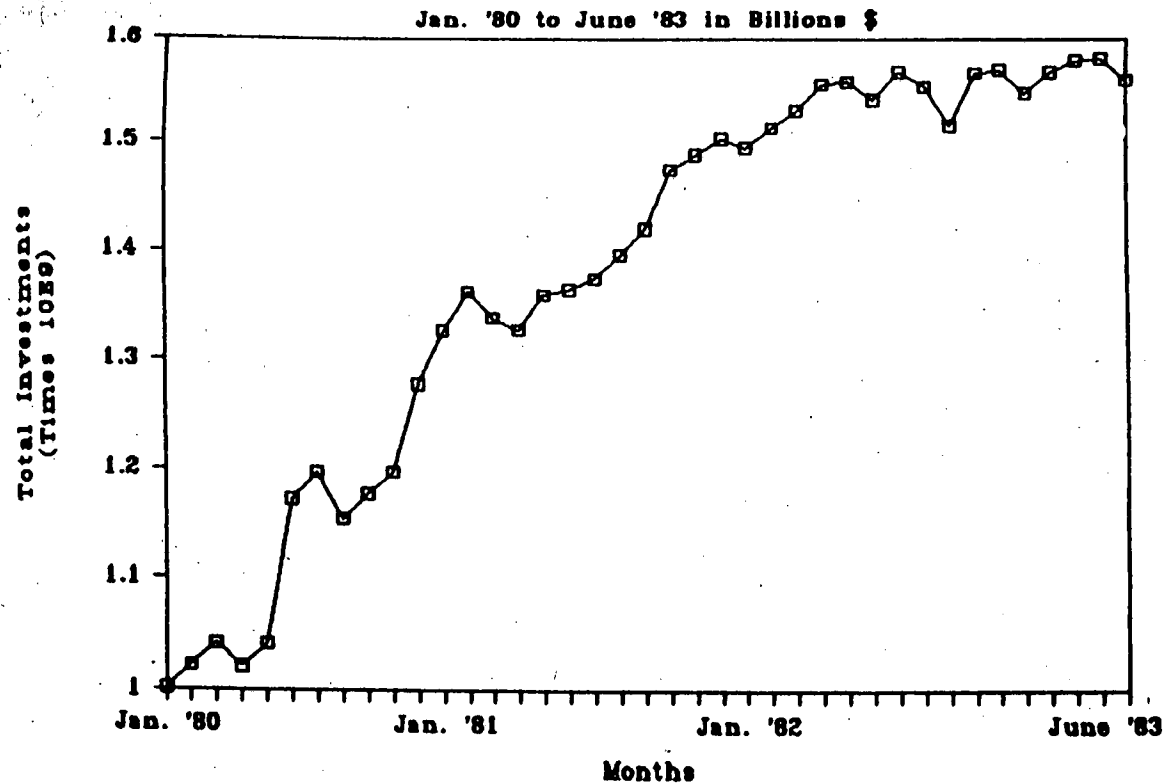
BIA officials requested that we proceed with our analysis on the basis of the sample data that we obtained. The statistical description of quantity, value, and timing of receipts and disbursements will be used in the Task 3 and Task 4 analyses.

Throughout this report we will use the Tribal Trust Fund and the IIM Fund to illustrate the methods used by the Bureau to process transactions. In general, cash receiving, investment, and disbursement activities for the five BIA trust funds are similar. The specific characteristics of the IMPL Fund, the Contributed Fund, and the ANEF that differ from the process described for the Tribal Trust and the IIM funds are noted in Exhibit I-3.

~~As the scope of our engagement did not extend to an audit function, we have not tested or verified the data presented in this report.~~ Nor have we conducted tests to assure procedural and operational compliance with Bureau or Departmental policies.

Indian Trust Fund Total Investments

Exhibit I-1



Source: Data provided by BIA Branch of Investments

MAJOR FUNCTIONS OF THE CASH RECEIVING, INVESTMENT AND
CASH DISBURSING PROCESSES OF INDIAN TRUST FUNDS

	<u>Agency Office</u>	<u>Area Office</u>	<u>Central Office--Albuquerque</u>	
			<u>Investments</u>	<u>Finance and Accounting</u>
<u>Cash Receiving Process</u>				
1. Receipt initiation and control	X	X	X	X
2. Entry of receipts and deposits into the Accounting System		X		X
3. Cash receipt reconciliations				X
<u>Investments Process</u>				
1. Receiving funds available for investment			X	
2. Coordinating tribal cash requirements with the investment process	X		X	
3. Investing funds in interest earning assets			X	
4. Accounting for Investments				X
<u>Cash Disbursing Process</u>				
1. Disbursement initiation and control	X	X	X	X
2. Entry of disbursements into the Accounting System		X		X
3. Cash disbursement reconciliations				X

II. CASH-RECEIVING PROCESS

The cash-receiving process is designed to insure that cash receipts are properly accounted for. Thus, depositing funds in the U.S. Treasury makes funds available for investment or disbursement. As part of this process, receipts are entered into the accounting system, and the Branch of Investments is notified of funds available for investment.

This section describes the following significant elements of the cash-receiving process:

- o Receipt initiation
- o Entry of receipts and deposits into the accounting system
- o Reconciliation of cash, receipts, and accounts

The project team obtained an understanding of the cash receiving process through interviews with Bureau of Indian Affairs (BIA) personnel at the Central Office in Albuquerque and the agency and area offices visited. The process is described in this section in narrative form, followed by several illustrative exhibits. Exhibit II-1 is a detailed flow chart identifying the major steps in the process, responsibilities, and key forms and reports. Exhibit II-2 lists the BIA positions responsible for major cash-receiving activities. Exhibit II-3 shows the general timing for collection deposit and recording of receipts through agency offices, as specified by procedures.

In the course of interviews at the Central Office in Albuquerque and at the agency and area offices visited, BIA

personnel identified controls in the cash-receiving process. These controls are listed in Exhibit II-4.

A. Receipt Initiation and Control

Sources of receipts for Tribal Trust Funds (Tribal) and Individual Indian Monies (IIM) include:

- o Over-the-counter and mail remittances to agency offices
- o Electronic funds transfer (EFT) of monies through the Treasury
- o Remittances from other federal agencies through the Branch of Finance and Accounting
- o Transfers among appropriations through area offices
- o Redemptions of securities and investment earnings through the Branch of Investments
- o Awards of Indian claims appropriations through the Branch of Finance and Accounting in Albuquerque

Contributions are mailed or brought over the counter to agency or area offices. Alaska Native Escrow Fund receipts are collected by other federal agencies through the Branch of Finance and Accounting.

~~The agency office is the primary point for cash receipt and origination of accounting information for the greatest volume of transactions.~~ While larger dollar amounts are received at the Central Office by wire transfer from payers or by intergovernmental agency transfer, the agency office plays a significant role in the control of Tribal and IIM receipts on behalf of the tribes it serves. Furthermore, the agency office provides some cash management service to members of tribes within its jurisdiction.

Over-the-counter and mail remittances are received by the authorized collector at the agency office. The authorized collector receipts the transactions, using the multipart bill for collections (prepared by the Agency Branch of Realty, Land Operations, or others) as an accounts receivable document. On each bill (which also serves as a receipt document), the authorized collector or the Branch personnel originating the document will denote the accounting codes for the transaction for entry into the accounting system.

~~Procedures require that receipts be deposited within 24 hours or the next work day after receipt.~~ On days when remittances are received, the authorized collector prepares a schedule of collections as a control sheet for the day's collections and sends copies of the bill/receipt documentation to the area office. Some agencies deposit the collections in a local U.S. Treasury depository if there is one near the agency. Other agencies send batches of checks with the accompanying documentation to the area office for deposit. Some agencies also prepare computer coding sheets for the receipts to facilitate entry of the information by the area office.

~~Procedures vary among the agencies visited.~~ Cheyenne River Agency has no local depository so the staff mails Agency receipts to the Aberdeen Area Office for deposit. The Aberdeen Area Office prepares the coding sheets with the pertinent accounting information to be entered into the accounting system. Colorado River Agency deposits locally and mails the receipt documentation and computer coding sheets to the Phoenix Area Office for entry into the accounting system. Osage Agency, although local depositories are located near by, mails the collections, receipt documentation and coding sheets to the Muskogee Area Office for entry into the accounting system. Warm Springs Agency also mails

collections, receipts and coding sheets to the Portland Area Office for entry into the accounting system; there is no local depository within 15 miles of the Agency.

~~Remittances of \$25,000 or more are transferred by wire to the BIA's Treasury account.~~ The dollar limit, established arbitrarily by the BIA, could be lowered if a lower limit were determined to be cost-effective, according to the Chief of the Branch of Investments.

Osage Agency was the only agency visited that receives remittances by EFT. Oil companies use EFT to pay oil and gas royalty payments to the BIA. An EFT remitter notifies the Agency Office that funds are being transferred. The Branch of Investments in Albuquerque receives notification of the transfer through a computer terminal that is part of the U.S. Treasury EFT network. The Branch of Investments sends a copy of the notification to the Agency Office for its local control records. The Branch of Finance and Accounting in Albuquerque records the transaction in the accounting system, as explained later in this section.

Notification of awards of Indian claims appropriations are received by the Branch of Finance and Accounting from the Court of Claims. (These are accomplished by a transfer of funds through the Treasury system, using the standard form to transfer monies between federal agencies; no exchange of money is involved.) The Branch of Finance and Accounting processes the transaction and sends copies of the transaction documentation to the appropriate agency office.

The BIA collects receipts from other federal agencies through a transfer of funds from the other federal agency's Treasury account to the BIA's account. The BIA bills the other agency,

which, upon approval of the bill, records the transfer on its report to the Treasury. (Reporting to the Treasury is described in Section C. Cash Receipts Reconciliation.) The Branch of Finance enters the "receipt" into the accounting system so that it can insure that the transfer is completed.

Receipts to one appropriation from another appropriation or within an appropriation are generated by a transfer, which may originate in the agency office or the area office. The document is approved either by the Agency Superintendent or the Area Director, and the accounting information is input, as described later, by the area office upon assurance that there are adequate funds to cover the transfer.

B. ~~Entry of Receipts and Deposits into the Accounting~~
System

~~The area office authorized collector reviews the schedule of collections and individual receipts prepared by the agency to determine that the accounting information provided is complete and that valid accounting codes are used. The area office authorized collector will also recalculate the totals of receipts collected to insure the accuracy of the totals reported by the agency. The area office authorized collector will complete a computer coding sheet for the collections (if not prepared by the agency) and verify the coding sheet against the bills/receipts documentation to insure accuracy. In addition to the individual receipt transactions, the deposit ticket amount, identification and date are recorded.~~

The Anadarko Area Office agencies (except Horton Agency) deposit funds in local depositories. Anadarko deposits collections sent by the Horton Agency, preparing and recording the

deposit ticket information. Portland Area Office agencies mail receipts to Portland. The Portland Area Office authorized collector prepares the deposit tickets and makes the deposits in the depository in Portland.

Each area office also enters receipt transactions from transfers between or within appropriations. Transactions are generated from the documents in support of the transfers and are entered into the accounting system at the area office.

A key entry operator enters the receipt transactions from the current or prior day into a terminal located in the area office. (all area office terminals are part of the BIA's telecommunications network and computer system, as described previously.) The transactions are transmitted to Albuquerque and processed daily by the accounting system. The next day the Area Office receives a listing of the edited transactions. The authorized collector verifies the entries and makes corrections if necessary.

~~The area office maintains manual control records of deposits and transactions by appropriation (e.g., tribal appropriation, IIM) for reference and control.~~

~~As mentioned previously, the Branch of Finance and Accounting in Albuquerque is responsible for entering receipt transactions for awards of Indian claims appropriations, remittances from other federal agencies, and EFT. For these receipts, the responsible accounting technician provides the appropriate accounting information for entry into the accounting system through a computer terminal in Albuquerque. Transactions are verified against the listing generated by the accounting system, and the documents are forwarded to the appropriate agency.~~

~~Interest earned on trust funds is recorded by the Branch of Investments upon redemption of the investment instrument.~~ The investment officer from the Branch of Investments prepares a voucher to record interest received through the redemption of discount securities and from securities that provide periodic payments. The transactions are entered into the accounting system by the Branch of Finance and Accounting.

~~The BIA earns interest on uninvested Tribal Funds held in the BIA's Treasury account. The BIA calculates the interest it earns on these idle funds and reports the amount of interest earned as a receipt on its monthly statement to the Treasury.~~ To calculate the interest, the Branch of Finance and Accounting enters all Tribal-Trust-Fund related deposits and disbursements during a month into an Easytrieve data file. (This same data is entered into the Accounting System.) Reports generated monthly from the Easytrieve file show monthly balances of tribal appropriations and are used by the Branch of Finance and Accounting to prepare a monthly statement of transactions for the Treasury.

~~Every six months the Easytrieve file is processed by a COBOL program that calculates the interest earned on idle Tribal Trust Funds.~~ Most tribal appropriations earn 4 percent, although a small number of tribal appropriations earn 5 percent. Simple interest is calculated on the number of days money remains on deposit in the Treasury. The program generates an Audit Trail Report, which the Branch of Finance and Accounting uses to verify the interest earned. The program also generates reports for distribution to the area offices, reporting the amounts of interest earned on tribal appropriations. Finally, the program generates accounting transactions to record the interest earned on the tribal appropriations. The transactions are entered into the accounting system through an automated interface. Reports of

the transactions are generated by both the COBOL program and the accounting system and are provided to the Branch of Finance and Accounting for verification.

Interest earned on the IIM Fund is divided among individual IIM accounts every six months as follows. The Chief of the Branch of Investments notifies the agency offices of the interest factor to be applied to the monthly balances of each IIM account; the factor is based on the overall earnings of the IIM Funds. Agency offices post the earnings to each IIM account.

*C. ~~Cash Receipt~~ Reconciliations

~~Cash receipt reconciliations for tribal funds vary among the offices visited, since standardized, documented procedures do not currently exist.~~ In May 1983 a memorandum addressing accounts maintenance policy and procedures for Tribal Trust Fund was issued by the Deputy Assistant Secretary of Indian Affairs (Operations). It establishes the area office responsible for monitoring the individual tribal trust accounts under its respective jurisdiction to insure reconciliation of accounting system balances with area source documents. Agency offices were charged with the responsibility for seeing that collections and disbursements are recorded for the correct tribal account. The memorandum requires that area and agency offices submit their own written procedures, designating the appropriate staff to manage Tribal Trust Funds.

~~In response to this memorandum, the area offices visited had recently initiated procedures to manage the Tribal Trust Funds by maintaining manual records of unallotted (unexpended and unobligated) Tribal Trust Fund balances and reconciling these to the Tribal Trust Fund and Investments Reports produced by the~~

accounting system each month. Both Portland and Anadarko Area Offices reported recently implemented procedures to insure that this reconciliation was performed.

Neither the Portland nor the Anadarko Area Office currently has procedures to reconcile Tribal Trust Funds as reported on the general ledger reports to manually controlled balances. Rather, the general ledger reports were used to research specific items on an exception basis. The agencies visited reported no procedures to maintain and reconcile Tribal Trust Fund balances.

The Agency Office IIM coordinator reconciles IIM receipt control totals generated by its bookkeeping machine and its source documents (bills, transfers, etc.) to detailed general ledger reports produced monthly by the accounting system. The agency office finance officer completes a reconciliation report, listing the agency's totals, the general ledger totals and the individual items in transit or in error that explain the differences. This IIM reconciliation report is submitted monthly to the area office so that corrections can be made as appropriate.

Additional procedures include monthly reconciliation of the following source documents to accounting system detailed listings by the Branch of Finance and Accounting:

- o Deposit tickets
- o Notification of collections from other federal agencies
- o Transfers between appropriations (tribal accounts)

Unreconciled items are recorded in manual ledgers, and efforts are made by the appropriate BIA unit (agency or area) to

research, reconcile and/or correct the unreconciled items. The detailed listings are also reconciled to the general ledger reports.

~~When the cash receipts have been reviewed and unreconciled items recorded, the Branch of Finance and Accounting reports the month's cash receipts (with cash disbursements) to the Treasury.~~ Separate reports are prepared for the IIM account and for investments. The remaining trust fund activity is reported on one report combining all BIA fund activities except revolving funds. ~~The Treasury generates a Statement of Differences each month from a computerized process comparing the deposit transactions processed through the Treasury's system (and checks issued) against the net receipts (and disbursements) reported by the BIA.~~ The Branch of Finance and Accounting reports to the Treasury reconciling items to balance the prior month's Statement of Differences in addition to net activity for the current month.

III. THE BUREAU OF INDIAN AFFAIRS INVESTMENT PROCESS

A. Summary of the Investment Process

The Branch of Investments is responsible for investing Indian trust funds. In fulfilling this responsibility it carries out the following functions:

- o Receives notification of funds available for investment
- o Coordinates tribal needs with the investment process
- o Executes investment transactions

As a result of the efforts of the Branch of Investments Branch, Trust Fund assets are placed in income-producing investments. In addition, the Branch of Investments executes the appropriate transactions to convert trust assets into cash for disbursement at the request of Trust Fund participants. The reports and forms used to control the investment process are listed in Exhibit III-1. Sample forms are included in this report as Appendix B. During our field work BIA officials identified certain controls on the investment process. These are presented in Exhibit III-2.

B. Receiving Notification of Funds Available for Investment

1. New Funds from Field Offices

The process by which funds are placed in earning assets does not vary among the five trust funds. However, the process by which the Branch of Investments is notified of new funds available for investment does vary among the funds. Exhibit III-3 presents a flow chart of this process for the Tribal Trust Fund and the IIM Fund.

For the Tribal Trust Fund, the area offices notify the Chief of the Branch of Investments or one of the investment officers by telephone of receipts in excess of \$2,500. The Branch of Investments becomes aware of receipts of smaller amounts when they appear on the Audit Trail Report. Telephone notifications are documented by using the Investment Instructions form that initiates an investment transaction. These forms are compared to the Daily Audit Trail report prepared by the Finance and Accounting Branch. In this way, the Branch of Investments verifies that large transactions have been encoded into the accounting system. The Branch of Investments is notified of receipts by wire or by printed message from its own terminal. Where transactions have been called in that do not appear on the Daily Audit Trail, the Branch of Investments contacts the area office to verify that the transaction is correct.

If net receipts and disbursements exceed \$100,000 in the IIM Fund, the Branch of Investments Chief, or an investment officer, receives daily notification from the following collection points:

- o All area offices
- o Osage Agency Office
- o Anadarko Area agencies
- o Mineral and Mining Services--Denver
- o Awards from the Office of Trust Responsibilities

Telephone notification is documented on the Indian Service Special Disbursing Agent (ISSDA) Telephone Notification form and compared to the ISSDA General Ledger Account Number 104.00 each day. This procedure is designed to confirm that new monies are encoded into the Finance System. It also enables the Branch of Investments to identify smaller receipts and disbursements that

III-3

affect the cash available for investment. The Branch of Investments posts the net cash position to the IIM Cash Master Ledger and then prepares the Status of IIM form to initiate the investment transaction.

Manual control ledgers, maintained by Finance and Accounting, are reviewed weekly to identify new monies in the contributed fund in the Alaska Native Escrow Fund. Monthly General Ledger reports are used by the Branch of Investments to identify new monies in the Contributed Fund available for investment. The Indian Monies Proceeds of Labor Fund will be discontinued in FY 1985; consequently, no new monies enter the fund. Since the U.S. Treasury is authorized to pay interest on the Alaska Native Escrow Fund at the prevailing rate, participants in the Fund are not penalized by the maintenance of Treasury balances resulting from the time lag between receipt of cash and the notification of the Branch of Investments. The Contributed Fund has relatively little activity; however, lost income opportunities resulting from Treasury balances are not considered to be in the acceptable range by the Bureau. The Branch of Investments recognizes the need for more frequent reporting of Contributed Fund activity.

Exhibit III-4 indicates the monthly receipt and disbursement activity for the five Indian trust funds during FY 1982-83. Exhibits III-5 through III-8 present the same information for the four Agency offices that we visited.

~~2. Funds Available from Redemption of Securities~~

The Info System generates special reports on Treasury securities by maturity. These reports are used by the Branch of Investments to determine the amount of cash available from redemptions. The Treasury Market Securities--Purchase documents

III-4

are filed by maturity date. For each investment cycle, these documents are reviewed to identify maturing Treasury securities. Similarly, records of government agency securities and certificates of deposit are maintained by maturity in the Info system. These records are reviewed prior to each Tuesday/Thursday investment cycle to identify maturing securities.

6. ~~Coordinating Tribal Needs with the Investment Process~~

1. The Reports

The Branch of Investments provides monthly reports on the status of Tribal Trust Funds and special notification of maturing investments. The reports are as follows:

- o Summary of Trust Funds
- o Trust Fund Investments Report
- o Trust Funds-Investment Maturity Area Report
- o Weekly Information Regarding Trust Funds

In addition, the Chief of the Branch of Investments issues a request for instructions regarding the disposition of maturing investments ^{after each investment} ~~one to two weeks prior to the maturity of an investment~~. This report is in memorandum form. Whenever some action, investment, rollover, redemption, etc., is taken, the Branch of Investments issues a report on actions taken in disposition of invested trust funds.

2. ~~Description of Reports to Area and Agency Offices~~

The Summary of Trust Funds, generated monthly from the data in the Finance System, is the primary source of information

concerning activity in the Tribal Trust Funds. A separate report is issued monthly for each appropriation. A final fiscal-year summary is issued at the end of September. An appropriation is analogous to an account. (BIA uses the old Department of Treasury term "appropriation," but accounts are not the same as federal budget appropriations.) Examples of appropriations (accounts) are:

- o Funds from particular judgments
- o Funds for tribal projects such as land acquisition
- o Tribal revenue funds to be spent according to the tribal budget

The Summary of Trust Funds is divided into summary and detail sections for each appropriation. The report lists receipts and disbursements by date and summarizes the detail by category of the activity responsible for the transactions.

The Trust Fund Investments Report presents information on tribal assets held by the BIA in the trust funds. It lists the appropriation, the amount of principle, the rate of interest, the date of maturity, and, in the case of certificates of deposit, the issuing bank.

The Trust Funds-Investment Maturity Area Report presents the investments that have matured by appropriation. It also shows the status of unallotted funds in the Treasury by appropriation. We did not find that this report was used by any of the agencies we visited.

The Weekly Information Regarding Trust Funds presents the average interest rates earned on investments made during the week. It also provides a comparison with other market interest rates.

In addition to periodic reports, two memo reports are issued by the Branch of Investments to maintain communication with the tribes:

- o Memo requesting investment instructions from tribes
- o Memo advising tribes of new investments

The memo requesting instructions as to disposition of maturing investments is issued one to two weeks before an investment matures. It presents the amount maturing and the date. It then provides space for the tribes to show the amount and the term of the new investments. It also provides space for the tribe to request a disbursement from the maturing funds. This form is the primary vehicle for communication of tribal investment instructions to the Branch of Investments.

After action has been taken on an investment, the Branch of Investments issues a form letter indicating the actions that have been taken. This memo advises the tribe of new investments that have been made in their behalf. It lists the appropriation, the amount, the date of purchase, the date of maturity, and the interest rate. It also gives the tribe a date by which they should advise the Branch of Investments on the disposition of the funds at maturity.

3. Communication Route

Reports from the Branch of Investments in Albuquerque are issued to the area office investment coordinator. This position is filled in all area offices. It is not a full-time assignment; therefore, the coordinator has other duties. The coordinator forwards the reports to the official in each agency designated by the Agency Superintendent.

Of the agencies that we visited, only those in the Anadarko Area recognized "area investment coordinator" as an official position title. This function was filled by the head of the Finance Department at the Colorado River Agency, by the personnel coordinator at the Cheyenne River Agency, by an independent contractor to the tribe at the Osage Agency, and by an official investment coordinator (with other duties as head of tribal operations) at the Anadarko Agency Office.

The agency officials forward the investment information to the tribal council. They are also responsible for receiving communications from the tribe and sending them back to the area office, which forwards them to the Branch of Investments. If no instructions are received, the Branch of Investments places available funds in 30-day investments.

Exhibit III-9 shows the routing of communications between the Branch of Investments and the tribes.

D. Executing Transactions to Invest Funds in Interest-Earning Assets

Investment Instruments

The Branch of Investments invests amounts that exceed \$25,000 in short-term securities. For amounts less than \$25,000, the transaction costs to the government are perceived to exceed the interest income generated by the investment. Thus, small balances are either added to maturing securities to form sizeable investments or allowed to accumulate in the U.S. Treasury. At present, the Tribal Trust Fund maintains cash balances by appropriation in the name of each tribe. However, the IIM Fund is a pooled fund. The Alaska Native Escrow Fund, the Contributed

Fund, and the Indian Monies Proceeds of Labor Fund are treated as single entities for investment purposes.

The primary investment vehicles used by the Branch of Investments for the Indian Trust Funds are U.S. Treasury market bills and nonnegotiable bank certificates of deposit (CD's). Exhibit III-10 indicates the amounts invested in CD's, Treasury securities, and other securities for each fund as of July 31, 1983.

The Branch of Investments requires that investments in CD's be protected by FSLIC or FDIC insurance or that government securities be placed with the Federal Reserve as collateral to secure the payment of principal and interest. Investments in CD's are made on Tuesdays and Thursdays. Investments in market bills are made daily by telephoning the Department of the Treasury by 9:00 a.m. Albuquerque time. Currently, the Branch of Investments has physical possession of approximately 3,500 certificates of deposit.

2. Investment Process Guidelines

The Chief of the Branch of Investments stated that the objective of the Branch of Investments is to obtain the highest return available from authorized investments without placing the trust fund's principal at risk. Currently, yields on nonnegotiable CD's usually exceed yields on Treasury market bills. For this reason, the Branch of Investments attempts to place money in CD's first and invests in Treasury market bills when CD's are unavailable at favorable rates. Receipts arriving between the Tuesday/Thursday investment cycle are either added to maturing securities and reinvested or allowed to accumulate in the U.S. Treasury until at least \$25,000 is available. The

receipts are then invested in short-term Treasury market bills with a Thursday maturity to make funds available for future investment in CD's.

The investment cycle for placing money in CD's begins approximately two weeks in advance of placing the money. Exhibit III-11 presents a flow chart of the August 18, 1983 cycle. The Branch of Investments determines the funds available for investment by maturity for each tribe participating in the Tribal Trust Fund and for the other four Indian trust funds.

The Branch of Investments then solicits bids from banks that have indicated interest in accepting Indian trust fund deposits. Banks respond with bids a day or two before the Branch of Investments places funds. The bids are evaluated to identify the bidders offering the highest effective yields for the maturities meeting tribal requirements. Banks are selected to receive deposits on the basis of interest offered and the availability of sufficient insurance or collateral to secure principal and interest payments. Transactions between the U. S. Treasury and the Branch of Investments to purchase or redeem securities are made by wire.

Funds in excess of \$25,000 not placed in CD's are invested in U.S. Treasury market bills. Because uninvested cash receipts are on deposit with the U.S. Treasury, the investment transaction can be accomplished by telephone. Written confirmation of purchases and redemptions is prepared by the Branch of Investments and sent to the U.S. Treasury after the transaction has been executed.

As a matter of investment strategy the Branch of Investments has not made recent purchases of government agency securities.

However, should the BIA undertake such purchases, they would be made either directly or through a fiscal agent as part of a syndicate.

E. Staffing of the Branch of Investments

The Branch of Investments is staffed with nine full-time employees and two temporary employees. Responsibility for Branch of Investment functions is indicated in Exhibit III-12.

The Chief of the Branch of Investments or someone the Chief designates to act in that capacity must authorize the execution of investment transactions.

The Branch Chief and the two investment officers are responsible for determining the amounts available for investment, for selecting investment opportunities, and for maintaining liaison with the tribes. They are provided supporting analyses from two management analysts.

Investment transactions are documented through the efforts of a general accounting specialist, an accounting and investment assistant, and an accounting technician. A secretary and two temporary clerk-typists provide administrative support to the Branch of Investments.

Investment coordinators at the area and agency levels are not supervised directly by the Branch of Investments. Rather, they are considered employees of the area or agency office where they serve.

LIST AND SAMPLES OF FORMS USED IN THE
INVESTMENT PROCESS

<u>Letter</u>	<u>Title</u>
A	Investment Instructions--phone discussion record form
B	Portion of form A to be completed after written confirmation is received
A-1	Telephone Confirmation ISSDA Cash--form
A-2	Transactions Against ISSDA General Ledger Account Number 104.00--Report
A-3	IIM Status of Funds--form
A-4	Cash balance from called-in receipts and disbursements spread sheet
C	Treasury Market Securities--Purchase form
D	Accounts Distribution--form
E	List for Return of Certificates of Deposit
F	Form letter for cashing maturing CD's
G	CD slip
H	Telegraph Instructions for wire transfer of funds
I	Bid Sheet recording form
J	A Special Report 3 for BIA Investments
K	Telegraph instructions of transfer of money to a bank
L	Telegraph confirmation of collateral pledged
M	Written confirmation of collateral

- 2 -

<u>Letter</u>	<u>Title</u>
N	Confirmation of EFT Transfer
O	CD negotiation sheet
P	Interest rate spreadsheet
Q	Trust Fund Investments report
R	Written confirmation of telephoned purchase of Market Bills
R-1	Written confirmation of telephoned redepmtn of Market Bills
S	Tribal Trust Investment Instructions
T	Tribal Trust Daily Audit Trail
U	Notification to Controls of investment
V	Actions taken in the disposition of invested trust funds
W	Notification of early redemption
X	Journal Voucher, tribal trust investment buyout by IIM Fund
Y	Summary of Trust Funds
Z	Trust Funds--Investment Maturity Area Report
AA	Weekly Information Regarding Interest Rates
AB	Request for Instructions as to Disposition of Maturing Investments

INVESTMENT CONTROLS IDENTIFIED BY BIA PERSONNEL*

<u>Control Objectives</u>	<u>Agency Office</u>	<u>Area Office</u>	<u>Central Office--Albuquerque</u>
1. Duties are segregated.			Branch of Finance and Accounting responsible for reconciling detail records to general ledger reports, separate from Branch of Investments' custodial responsibility.
2. Purchase or redemption transactions are approved by fund participants before investments are made or redeemed.	Agency investment coordinator notified by Branch of Investments of balances, activity and maturing investments for Tribal Trust Funds for the purpose of obtaining instructions from tribes.	Area investment coordinator notified by Branch of Investments of balances, activity and maturing investments for tribal trust funds for the purpose of obtaining instructions from tribes.	Branch of Investments' reporting to tribes and BIA investment coordinators of balances, activity and maturing investments for Tribal Trust Funds to allow liaison with fund participants.
3. Documents evidencing value and ownership are subject to effective custodial accountability procedures and physical safeguards.			Federal Reserve's confirmation of collateral sent to Branch of Investments. Safeguard of certificates of deposit in a vault under custodial responsibility of Branch of Investments.
4. Transactions are properly recorded in detail records.			U.S. Treasury's custodial responsibility for Treasury securities. Branch of Investments maintains detailed records of investment in manual and automated files, organized by tribe and maturity.

INVESTMENT CONTROLS IDENTIFIED BY BIA PERSONNEL*

Control Objectives

Agency Office

Area Office

Central Office--Albuquerque

5. Transactions properly accumulated, classified and summarized.

Branch of Investments' manual and automated ledgers maintained by bank to assure compliance with federal insurance limitations.

Treasury notification of purchases and redemptions received by Branch of Investments to confirm investment transactions.

Branch of Finance and Accounting responsible for detail reports and general ledger reports.

Branch of Finance and Accounting responsible for reconciliation of general ledger reports to Treasury statements.

*These controls were identified by BIA personnel. No tests or evaluations were conducted to determine the adequacy, effectiveness or efficiency of the controls or to determine whether or not the controls are employed on a consistent basis.

8/24/83

TRIBAL TRUST NOTIFICATION PROCESS

BRANCH OF
INVESTMENTS

FINANCE &
ACCOUNTING

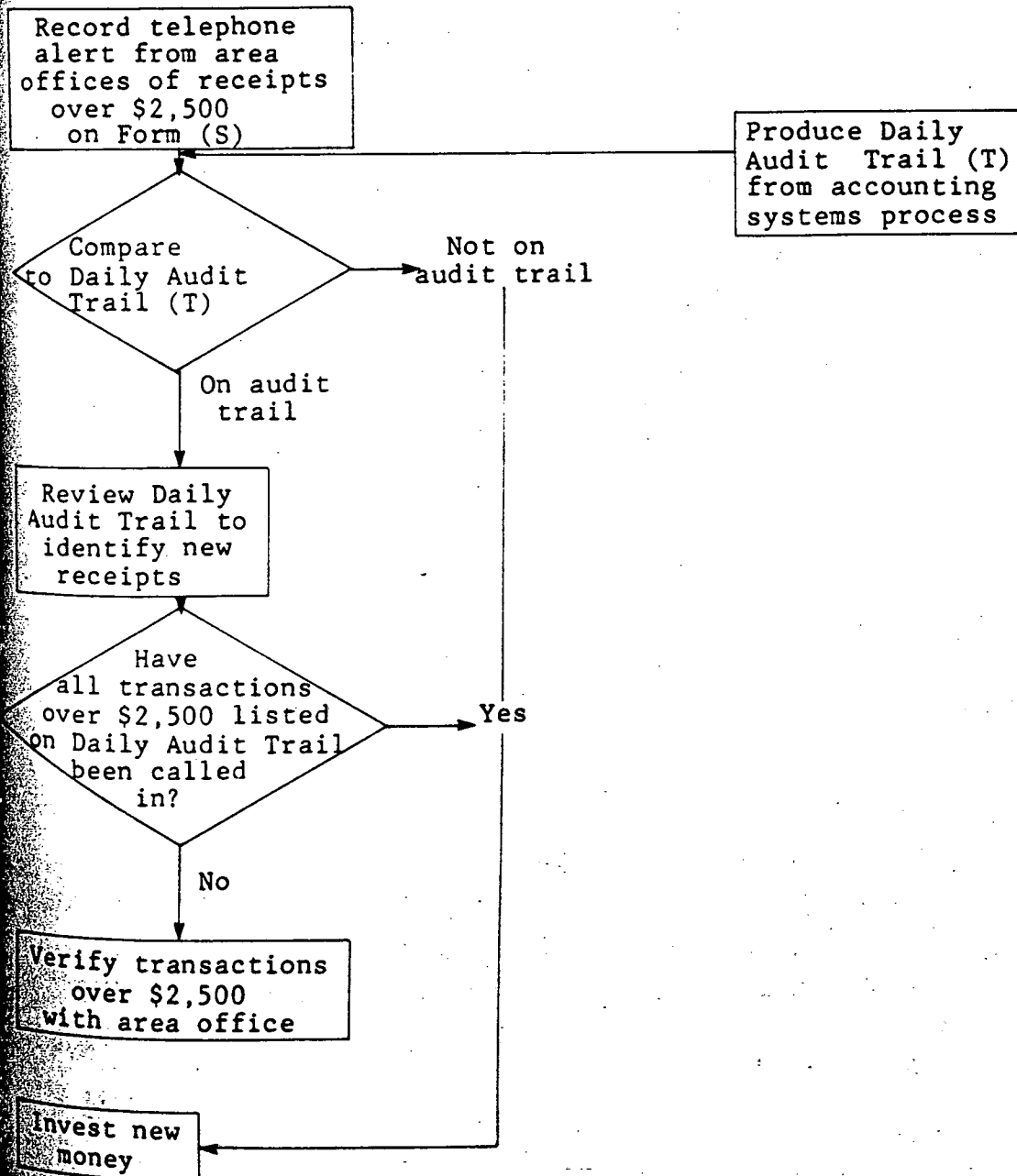


EXHIBIT III-4

TOTAL BUREAU
NET RECEIPTS AND DISBURSEMENTS
BY MONTH

<u>Month</u>	Fund Group 4 IMPL ANEF <u>Contributed</u>	Fund Group 5 <u>Tribal</u>	Fund Group 6 <u>IIM</u>
October '82	\$ - 751,038.66	\$ -5,418,398.51	\$ -1,810,336.55
November '82	\$ -17,178,702.57	\$ 50,537,322.74	\$ - 323,259.34
December '82	\$ - 162,902.36	\$ 3,950,125.85	\$ 765,881.77
January '83	\$ - 257,460.77	\$ -18,069,112.60	\$ -3,812,841.53
February '83	\$ 734,756.20	\$ 7,137,896.33	\$ 5,040,949.39
March '83	\$ - 84,482.94	\$ 69,942,557.50	\$ 51,033.66
April/May '83	\$ - 699,251.21	\$ 17,250,274.54	\$ 3,112,625.72
June '83	\$ - 66,697.32	\$ 11,113,093.92	\$ -1,127,880.11
July '83	\$ - 287,295.17	\$ 9,749,530.62	\$ 1,525,197.21

Source: BIA Finance and Accounting Branch

EXHIBIT III-7

NET RECEIPTS AND DISBURSEMENTS
FROM TRUST FUNDS
BY AGENCY AND MONTH

Osage Agency

Month	Fund Group 4 IMPL ANEF Contributed	Fund Group 5 Tribal	Fund Group 6 IIM
October '82	\$ 3,103.96	\$ -368,843.43	\$ 1,976,118.92
November '82	\$ 0	\$ 499,507.80	\$ -936,776.47
December '82	\$ 0	\$ 1,304,701.64	\$ 1,420,463.26
January '83	\$ 0	\$ -3,615,048.25	\$ -1,232,369.03
February '83	\$ 0	\$ 1,963,378.23	\$ -659,960.11
March '83	\$ 0	\$ 2,535,756.81	\$ 1,300,604.83
April/May '83	\$ 0	\$ 2,108,153.32	\$ -770,898.17
June '83	\$ 0	\$ 249,703.26	\$ 2,368,155.57
July '83	\$ 3,103.96	\$ -275,793.88	\$ -904,925.72

Source: BIA Finance and Accounting Branch

EXHIBIT III-8

NET RECEIPTS AND DISBURSEMENTS
FROM TRUST FUNDS
BY AGENCY AND MONTH

Warm Springs Agency

<u>Month</u>	Fund Group 4 IMPL ANEF <u>Contributed</u>	Fund Group 5 <u>Tribal</u>	Fund Group 6 <u>IIM</u>
October '82	\$ 19,462.22	\$ 21,729.27	\$ 144,674.70
November '82	\$ 593.06	\$ 4,813.56	\$ 1,690,503.40
December '82	\$ -57,929.85	\$ 590,610.49	\$ 2,262,330.70
January '83	\$ -80.00	\$ -1,561,854.36	\$ -4,369,513.45
February '83	\$ 0	\$ 22,393.08	\$ 2,952,752.10
March '83	\$ 0	\$ -32,166.48	\$ -18,156.23
April/May '83	\$ -131,515.66	\$ 18,255.08	\$ 323,337.37
June '83	\$ 1,989.14	\$ 3,336.15	\$ -83,432.75
July '83	\$ 60,562.16	\$ 5,882.12	\$ 1,864,988.88

Source: BIA Finance and Accounting Branch

3-7-26

**TRIBAL TRUST FUND
COORDINATION PROCESS**

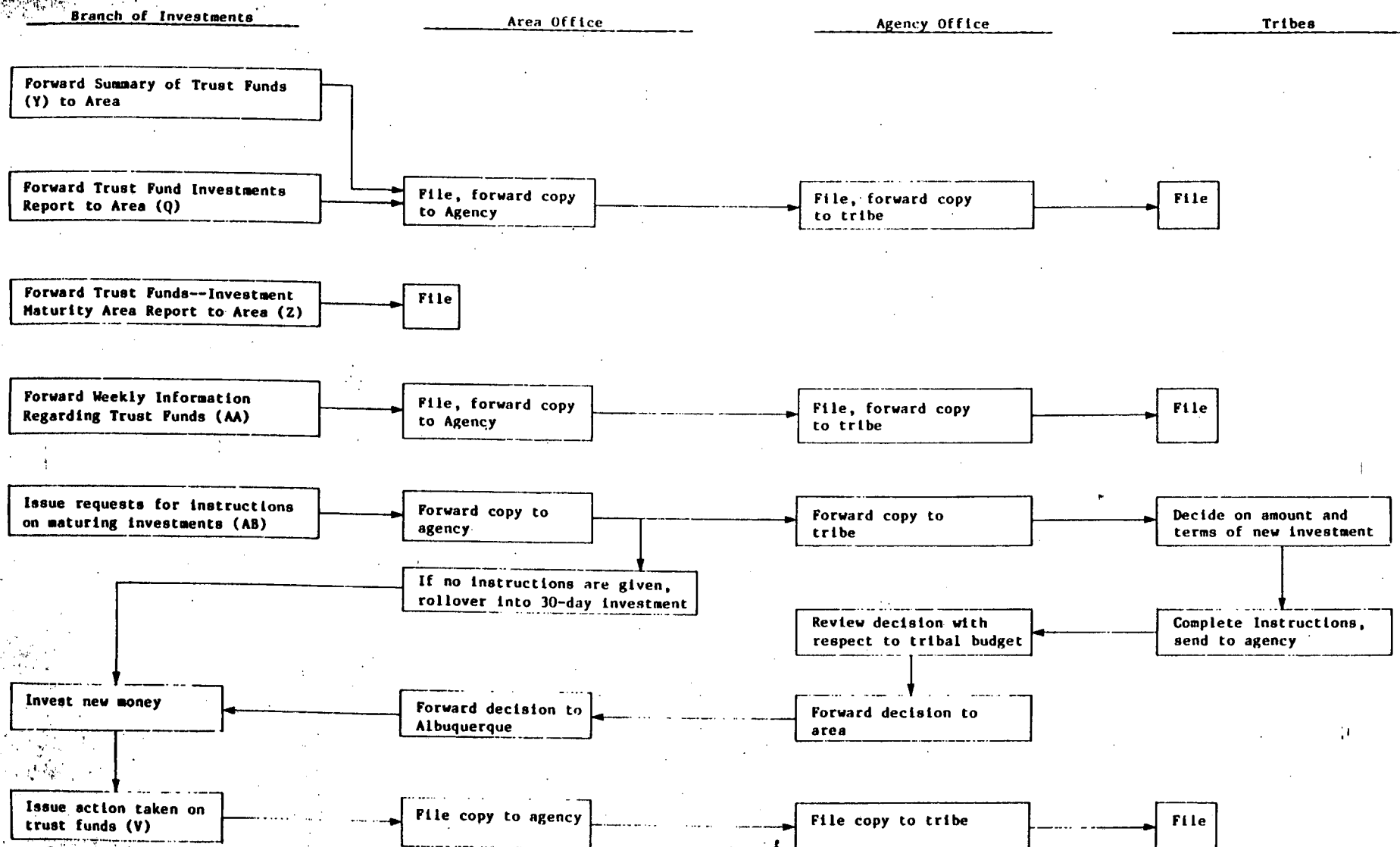


EXHIBIT III-10

STATUS OF INVESTMENTS

TRUST FUNDS
As of June 30, 1983
(\$000,000)

	<u>Time Certificates of Deposit</u>	<u>US Treasury & Other Gov't Securities</u>	<u>Total Investments</u>
Tribal Trust Funds	714.3	390.6	1,104.9
Deposit Funds (ISSDA)	328.7	106.3	435.0
INPL Escrow Account	14.0	3.1	17.1
Contributed Funds	.6	.1	.7
Alaska Native Escrow	4.0	0	4.0
Total Investments	1,061.6	500.1	1,561.7

Source: BIA Branch of Investments

8/24/83

INVESTMENT IN CERTIFICATES OF DEPOSIT (CD's)

Date

For Solicitation of Bids on 8/18

BRANCH OF
INVESTMENTS

FINANCE &
ACCOUNTING

7/28

Receive report listing
bank CD's maturing
8/15-8/19 from Info
System (E)

Send form letter (F)
to banks showing
maturing CD's with
copy of CD enclosed

Reconcile CD slips
and copies of letter (F)
sent to banks

8/9

From CD slips (G)
prepare Accounts
Distribution schedule
(D). Send to Finance
and Accounting

Add new receipts
from Finance System
and interest payments
and return (D) to
Branch of Investment

From Treasury Market
Securities--Purchase
Document (C), determine
maturing Treasury
Securities

8/24/83

INVESTMENT IN CERTIFICATES OF DEPOSIT (CD'S) (CONTINUED)

BRANCH OF
INVESTMENTS

FINANCE &
ACCOUNTING

8/11

Close total
amount to be invested
for cycle

Initiate hold document
(U) on funds for
investment

8/12

Prepare and send Bid
Wire (H) to banks with
history of accepting
trust fund deposits to
indicate funds available
at various maturities
and update code-a-phone

Receive bids from banks
by telephone

Prepare Bid
Sheet (I)

11:00 am
8/16

Close bids

8/16

Generate report
on tribal deposits
by bank (J) from
Info System

9.15

8/24/83

INVESTMENT IN CERTIFICATES OF DEPOSIT (CD'S)
(CONTINUED)

BRANCH OF
INVESTMENTS

FINANCE &
ACCOUNTING

Compare Bid Sheet
(I) to tribal
deposit report (J)
to determine if
deposits in any tribal
name exceeds FSLIC
or FDIC insurance
coverage

Prepare spread sheet
(P)

8/17 or
8/18

Call investment coord-
inators to confirm
that planned tribal
disbursements will occur

Decide final amount
to be invested

8/17

Notify high bidder
by phone

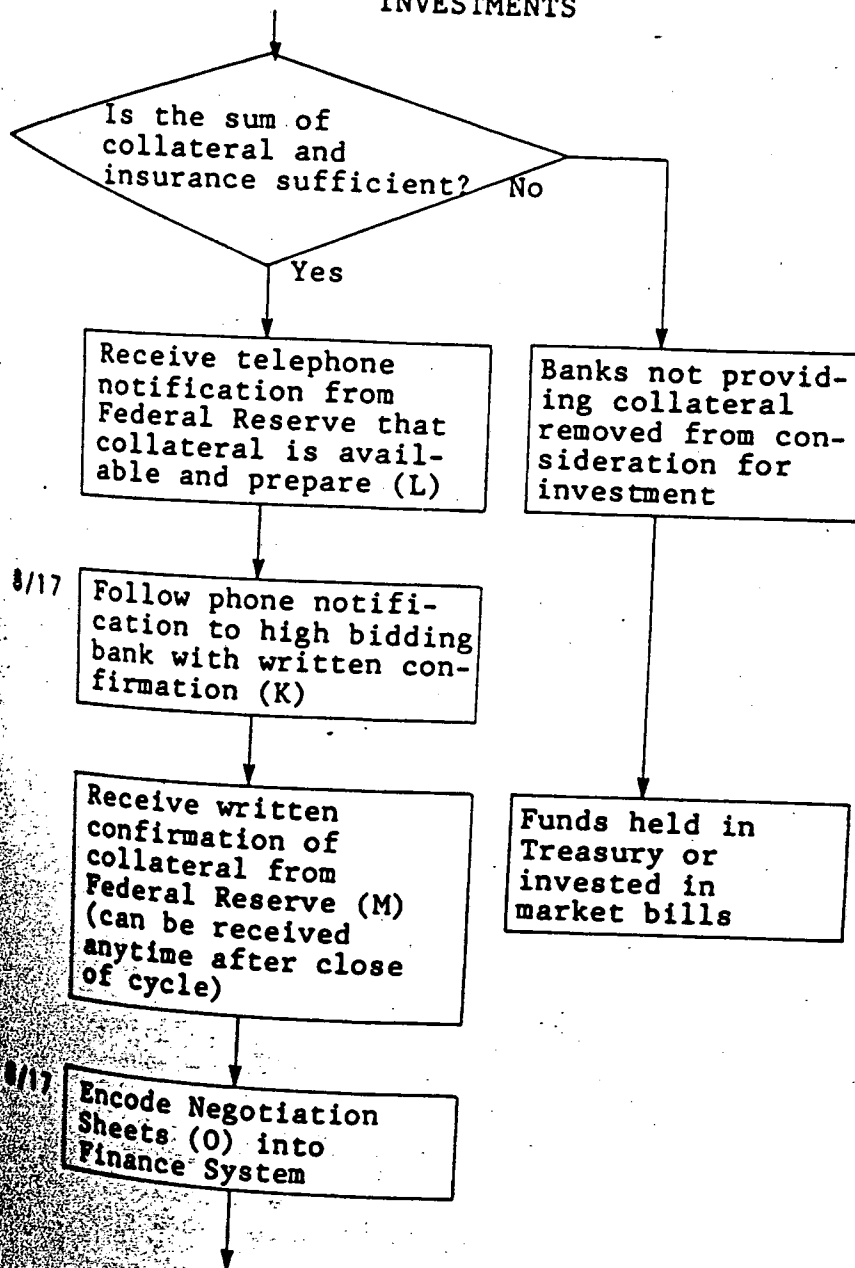
Prepare Negotiation
Sheet (O) from
Accounts Distribution
(D)
and Spreadsheet (P)

8/24/83

INVESTMENT IN CERTIFICATES OF DEPOSIT (CD'S) (CONTINUED)

BRANCH OF
INVESTMENTS

FINANCE &
ACCOUNTING



8/24/83

INVESTMENT IN CERTIFICATES OF DEPOSIT (CD'S) (CONTINUED)

BRANCH OF
INVESTMENTS

FINANCE &
ACCOUNTING

Prepare copy of
Negotiation Sheet
(O₂) for each term
and each tribe list-
ing banks receiving
money

Encode O₂ into info
system

8/31

Merge interest
payments entered in
the Info System
posted to Negotiation
Sheet (O₂) with
Financial System
encoding (O₁) to
produce Trust Fund
Investment Report (Q)

8/17

Deliver funds to
institutions using
Standard Form 1166
(N)

Receive Certificate
of Deposit from
from Bank

Notify investment
coordinator that
investment was
made (using document
V)

8/24/83

INVESTMENT IN CERTIFICATES OF DEPOSIT (CD'S) (CONTINUED)

BRANCH OF
INVESTMENTS

FINANCE &
ACCOUNTING

8/18

Prepare CD slips (G)
using Account
Distribution (D) and
Negotiation Sheet (O)

8/18

Invest amounts over
\$25,000 funds, not placed
in CD's, in Treasury
securities

Reconcile CD slips
with actual CD's

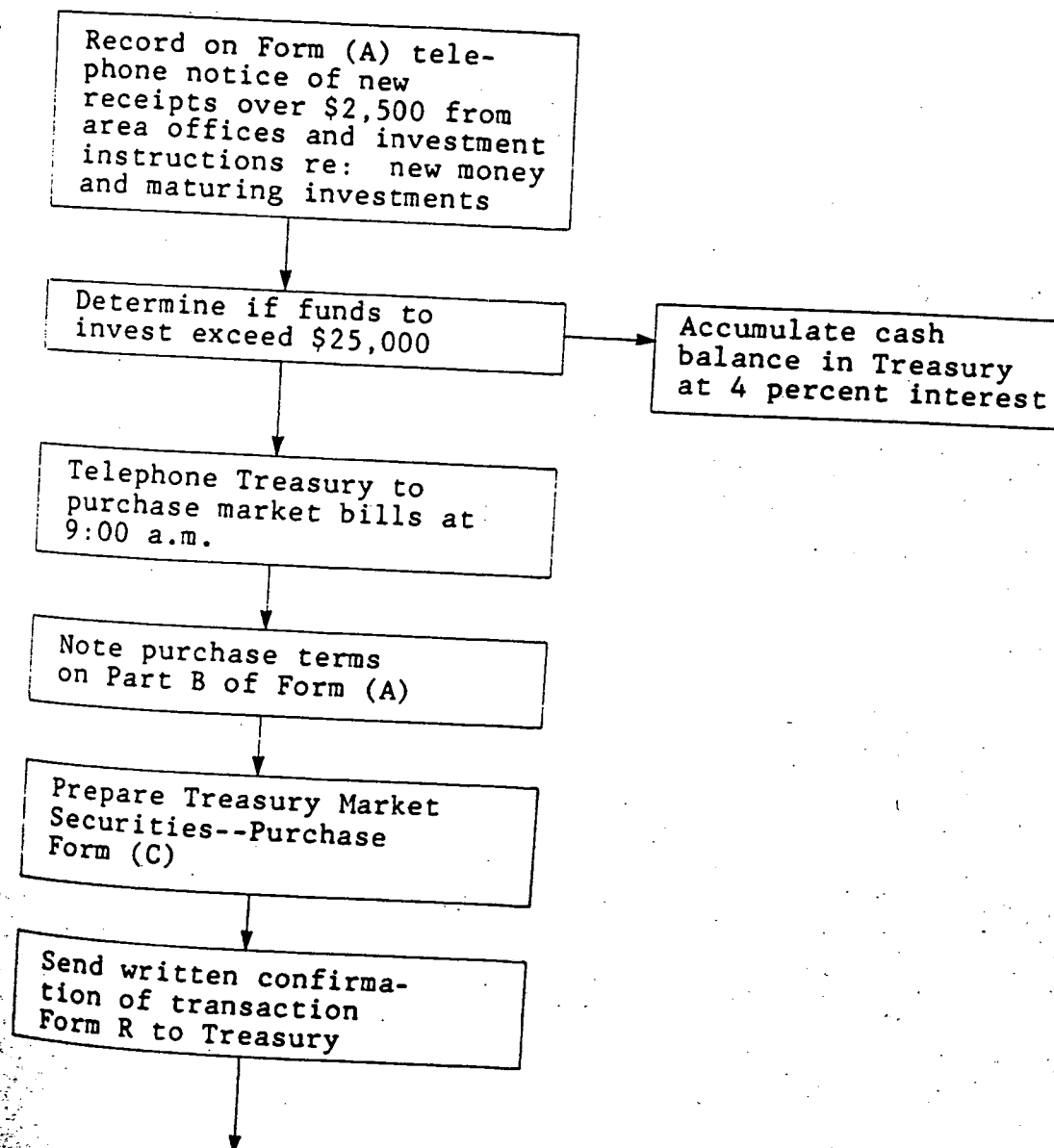
8/24/83

INVESTMENT IN TREASURY SECURITIES

BRANCH OF
INVESTMENTS

FINANCE &
ACCOUNTING

8/17



8/24/83

INVESTMENT IN TREASURY SECURITIES (CONTINUED)

BRANCH OF
INVESTMENTS

FINANCE &
ACCOUNTING

Encode data and Form
(C) and forward copy
to Finance and Accounting

Batch Form A with Form C
file by Maturity Date

Notify investment
coordinator in writing
of actions (W)

IV. CASH DISBURSING PROCESS

A. Summary of The Cash Disbursing Process

The cash disbursing process insures that cash is available to meet the requirements of fund participants and that cash outflows receive proper accounting. The disbursing process culminates in issuing Treasury checks or transfers and permits disbursement, investment, or payment of intra governmental obligations. As part of this process, disbursements are approved, documented and entered into the accounting system.

This section describes the following significant elements of the cash disbursing process:

- o Disbursement initiation and control
- o Entry of disbursements into the accounting system
- o Cash disbursement reconciliations

The project team obtained an understanding of the cash disbursing process through interviews with BIA personnel at the Central Office in Albuquerque and the agency and area offices visited. The process is described in this section in narrative form, followed by several illustrative exhibits. Exhibit IV-1 contains a detailed flowchart identifying the major steps in the process, responsibilities, and key forms and reports. Exhibit IV-2 lists the Bureau positions responsible for major cash disbursing activities.

In the course of interviews conducted at the Central Office in Albuquerque and the agency and area offices visited, BIA

personnel identified controls in the cash disbursing process. These controls are listed in Exhibit IV-3.

B. Disbursement Initiation and Control

~~Disbursements of tribal and IIM funds include:~~

- o Per capita payments of proceeds to individual Indians through agency-maintained IIM accounts or directly from tribal funds through a Treasury Regional Disbursing Office (RDO)
- o Earnings and authorized withdrawals by individuals or tribes from agency-maintained IIM accounts
- o Payments to other federal agencies through the Branch of Finance and Accounting
- o Payments for goods and services to the public through agency-maintained IIM accounts or directly from tribal funds through a Treasury RDO
- o Transfers between appropriations through area offices;
- o Per capita payments of Awards of Indian claims appropriations through a Treasury RDO
- o Purchases of investments of trust funds

Alaska Native Escrow Fund disbursements are controlled by the Branch of Finance and Accounting and are accomplished through the Treasury's Regional Disbursing Office. Contribution disbursements are processed through the Treasury's Regional Disbursing Office.

~~Disbursements from tribal funds are accomplished in three ways: (1) transfer of tribal funds to the tribe's IIM account with disbursement by agency-issued Treasury check; (2) direct disbursement from the tribal fund through the Treasury's Regional Disbursing Office by Treasury check; and (3) direct disbursement~~

from the tribal fund by a transfer to another federal agency's Treasury account. Each of these ways to disburse tribal funds is described below.

A tribe may elect to disburse tribal funds through its agency-maintained IIM account. To do this, the tribe submits a request for a withdrawal from a tribal appropriation to its IIM account. The Agency Superintendent and the Area Director approve the withdrawal request after the respective offices' finance personnel have obtained assurance that there are adequate funds.

To obtain this assurance, the Area Office calls the Branch of Investments, reviews the accounting system trust fund reports and checks the area office maintained control records. If adequate funds are available, the area office technician signs the request for withdrawal and forwards the approved documentation back to the agency office. There the transfer of funds into the tribe's IIM account is recorded, and the Agency Deputy Disbursing Agent approves the disbursement from the tribe's IIM account.

Disbursements from the tribe's IIM account (as well as all individuals' IIM accounts) are accomplished by the preparation of a Treasury check. Agency offices have custodial responsibility for blocks of checks, and have a check signing machine to expedite the preparation of large numbers of checks. Disbursements from the tribe's IIM account may be for its own use, payments for goods services, or per capita payments from proceeds to tribal members.

Tribal fund disbursements may be accomplished through a Treasury Regional Disbursing Office (RDO). In this case an authorization for tribal funds and a voucher for a Treasury check is completed by the agency office and approved by the area office

as described above. The voucher will be sent to RDO for disbursement by a Treasury check. Again the tribe may request the funds for its own use, to pay for goods and services or to distribute per capita payments. The tribe's needs dictate whether the RDO issues the Treasury checks or whether the disbursement is made through the IIM accounts. No standardized procedures address the appropriate use of these alternatives.

Tribal trust funds may be disbursed to another federal agency by a transfer of funds from the Bureau's Treasury account to the payee agency's Treasury Account. The agency office receives the request for transfer, completes the documentation and forwards the document to the area office for approval. The transaction is completed by the Branch of Finance and Accounting in Albuquerque as described later.

Withdrawals from individuals' IIM accounts are approved by the Agency Superintendent and checks are prepared for the disbursements. Disbursements from IIM accounts may include interest earned and portions of the principal for specific purposes as requested by the IIM account holder or guardian.

All disbursements are posted to the IIM ledger cards using the bookkeeping machine. As with receipts, daily control totals are developed by the bookkeeping machine and balanced to a daily IIM disbursement report.

The Deputy Disbursing Agent in the Agency Office records all checks issued, the accounting codes, and the amount disbursed. Copies of this daily report and computer readable copies of the checks are sent to the Branch of Finance and Accounting in Albuquerque for further processing as described in the paragraphs

following. The area office also receives a copy of the daily disbursement report for IIM.

The agency office forwards the IIM disbursement report and unaccomplished disbursement documentation for approval to the area office. In some cases the Agency IIM disbursement technician completes a computer coding sheet with the accounting information including the checks issued for all disbursements. The frequency of disbursements varies among agencies but occur at least several times a week.

Disbursements to other federal agencies are accomplished through transfers between the Treasury accounts of the BIA and the other federal agency involved. The federal agency initiating a request for payment, sends the BIA a voucher for approval. The Branch of Finance and Accounting enters the approved disbursement into the accounting system for reporting to the Treasury.

C. Entry of Disbursements into the Accounting System

The Area Office enters IIM disbursement transactions and transfers from the tribal funds into the accounting system similarly to cash receipts. Both tribal transfers and IIM disbursements are entered via computer terminal, transmitted and processed daily. Area office personnel verify the accurate input of transactions against the disbursement source documents.

Vouchers for RDO-issued Treasury checks are forwarded to the Branch of Finance and Accounting in Albuquerque, where the disbursement is reviewed and entered into the accounting system. The accounting system generates a tape of approved vouchers for check disbursement by the RDO, and the tape is forwarded to the RDO for processing. Accomplished vouchers are forwarded back to

the Branch of Finance and Accounting where the accomplished transactions are entered into the accounting system.

As mentioned previously the Branch of Finance and Accounting enters the approved transactions for transfers of funds to other federal agencies.

Computer-readable copies of IIM Treasury checks issued by agency offices are entered into the accounting system and a check reconciliation report is generated.

Purchases of investments are accomplished through a transfer of funds from the BIA's Treasury account to either the Treasury (for Treasury securities) or through an Electronic Transfer of Funds mechanism (wire transfer) to commercial lending institutions (for commercial certificates of deposit). The Branch of Investments initiates the investment transaction with the Treasury or commercial lending institution and prepares either an intragovernmental transfer voucher for the purchase of the investment or a voucher for a wire transfer of funds from the BIA's Treasury account to the commercial lending institution. These disbursement transactions are entered into the accounting system by the Branch of Finance and Accounting.

D. ~~Cash~~ Disbursement Reconciliations

The agency office reconciles IIM disbursement control totals generated by its bookkeeping machine to the detailed General Ledger Report produced monthly by the accounting system. The area office has the responsibility of managing the tribal trust funds by reconciling monthly trust fund reports to manual control totals and source documents.

IV-7

The Branch of Finance and Accounting has a procedure to ~~verify accomplished (issued) checks disbursed by the Treasury~~ RDO. Detailed listings containing the transaction information are generated by the accounting system and source documents are reconciled to the detailed listing monthly. According to this procedure unreconciled items are recorded in manual ledgers and efforts are made with the appropriate office to research, reconcile and/or correct the unreconciled items. The detailed listings are also reconciled to the general ledger reports.

When cash disbursements have been reconciled, the Branch of Finance and Accounting reports the month's cash disbursements (with cash receipts) to the Treasury, as presented in the description of cash receipt reconciliations. The Branch of Finance and Accounting reports net disbursements (and receipts) and items reconciling the Treasury's previous month's transaction report.

Exhibit IV-1 contains a detailed flowchart depicting the steps in the cash disbursing process and the participation of the Bureau Offices and the Treasury.

Exhibit IV-2 identifies the Bureau positions responsible for major cash receiving activities.

Exhibit IV-3 lists controls identified by Bureau personnel in the course of the project team's interviews.

Appendix to Section IV contains key forms and reports for illustrative purposes.

V. PROFILE OF AGENCY AND AREA OFFICES VISITED

A. Purpose of Site Visits

Price Waterhouse conducted site visits to document the cash management procedures that affect the Indian trust funds. During July and August we visited the following six sites:

- o Colorado River Agency Office
- o Cheyenne River Agency Office
- o Osage Agency Office
- o Warm Springs Agency Office
- o Anadarko Area Office
- o Portland Area Office

The sites were selected by the Bureau of Indian Affairs (BIA) as representative of the range of field sites that the Bureau operates. Exhibit V-1 summarizes the characteristics of the agency office that we visited. What follows is a profile of the sites, prepared from data collected at the sites. The profiles include a narrative overview, statistical data regarding Indian trust fund transactions, and sample forms used for cash management at the sites.

B. Colorado River Agency

1. Sources of Revenue

The Colorado River Agency and the tribes it serves are situated on the Colorado River. Much of the tribal land is highly productive, irrigated farm land. Parts of this land

with BIA personnel, we believe that IIM receipts also peak in November and December.

3. Disbursements

The tribe served by the Cheyenne River Agency has a yearly limit on spending for land acquisition financed by judgment funds. Whenever individual allottees sell their allotted land, they must give the tribe the first chance to buy it. This land acquisition program utilizing judgment funds is controlled by the tribal budget approval process.

Disbursement of lease execution fees is contingent on developing a plan for paying tribal employees who help execute leases with this money. The total amount disbursed in FY 1982 was \$40,320.

D. Osage Agency

1. Source of Revenue

The Osage reservation, located in Oklahoma, has substantial reserves of oil. By agreement in the early part of this century the Osage tribe, represented by the Osage Tribal Council, retains ownership of the mineral rights to individually allotted land.

However, the money generated by these mineral rights must be distributed quarterly to the holders of "head rights." When the land was allotted under the Allotment Act of the Osage Tribe in 1906, a tribal roll of 2,229 members was established. The Act requires that all tribal funds be distributed to these head right holders quarterly. Since the receipts to the Tribal Trust Fund must be paid out quarterly, either as per capita payments or

to the tribal budget, this account is simply a short-term holding account.

There are about 15,500 producing oil and gas wells on Osage land. The contracts allowing producers to pump Osage oil have three components:

- o Commodity price and production-based royalties
- o Bonuses paid for the rights to a lease
- o Lease payments

The bonus payments fluctuate widely with the price of oil and gas. The BIA holds an auction for the rights to the leases. When oil spot market prices are high, producers have paid high prices for the right to drill on productive land. Currently, these bonus payments have become less important.

The royalty systems for gas and oil differ. The basic nature of the contract is that producers pay a share of the revenues they get for drilling on Osage land. The split is usually about 80 percent to the Indians. The lease specifies minimum production levels. Leases may be cancelled for nonproduction.

The oil companies use published sources to post the prices they get for their Osage oil. BIA takes the highest posted price for the month in which the royalty payment is due and calculates the royalty on the basis of that price. All contracts call for payment by the 25th of the month. A late fee of 1.5 percent per month is assessed. Oil leases are renewed every three years and are subject to bonus auctions at that time. Current levels of oil production are expected to continue for 50 to 75 years.

Gas royalties are calculated differently. Since transportation for gas is costly, gas prices vary with the location of the wells. The producers and the purchasers negotiate a price for the gas. With the Agency Superintendent's approval, this price is used to calculate the royalties. Gas leases endure for the life of the well.

The surface rights of allotted land in the Osage mineral estate are owned by individuals. Some of this land is leased. About 200,000 acres in individual allotments produce about \$762,000 per year in revenues. Most lease payments are due either on April 1 or on June 1. No bills are rendered, and payments are tracked through manual records.

2. Seasonality of Receipts

Receipts into the Tribal Trust Fund at Osage are not highly seasonal. For total daily receipts over \$50,000 the pattern is uniform over the months. However, smaller total daily receipts peak in March, but not sharply. This pattern is consistent with our conversations with agency personnel. During particularly harsh winters, production may fall by 10 to 15 percent, thereby reducing oil revenue receipts. Fluctuations in receipts at Osage are due to changes in oil prices.

3. Disbursements

The Allotment Act of the Osage Tribe (June 1906) specifies that all tribal revenue be disbursed on the basis of the original head rights every quarter. According to the summary of Tribal Trust Fund FY 1982, this requirement resulted in head right payments totaling \$69,870,182 from oil and gas revenues. An

additional \$7,736,147 was paid out on a head right basis from flood control revenues.

Before head right payments are made, taxes--such as property and production taxes--are paid. The budgeted tribal expenditures are also paid prior to per capita distribution. For FY 1982 the tribe spent \$465,000 in budgeted funds from the oil and gas revenues.

E. Warm Springs Agency

1. Sources of Revenue

The primary sources of revenues at Warm Springs are derived from timber sales and leases and oil and gas royalties. For FY 1982, the Summary of Trust Funds Report showed \$8.837 million in receipts for timber and stumpage. This same report showed oil and gas royalties of \$1.989 million for FY 1982.

The value of timber contracts may vary from the face value, depending on the market price of lumber products. The BIA maintains a timber appraisal capability. The rate paid for tribal timber is adjusted quarterly as much as 75 percent of timber face value, depending on fluctuations in the Western Wood Products Index.

The oil and gas contracts, which are royalty-based, provided \$2,538,000 of tribal revenues in June 1983. The Warm Springs Agency reports that oil and gas contracts are no longer in effect.

2. Seasonality of Receipts

The timber-cutting season runs from May to December. Tribal Fund revenues peak sharply during that time, according to the FY 1982 Summary of Tribal Trust Funds. Oil and gas royalty payments were made monthly from June through September. Monthly disbursements did not peak during FY 1982.

3. Disbursements

The disbursement process at Warm Springs is governed by the tribal budgeting process. The budget requires Agency Superintendent approval. The Tribal Trust Fund report for FY 1982 shows that \$20,340,838.21 was disbursed to the tribe from their Tribal Trust Fund. Per capita payments are made monthly from the tribal timber enterprise. In FY 1982, this payment totaled \$149,215. Since 1954, the tribe has had an annual audit.

F. Financial Statistics Describing the Agency Offices* Visited

BIA officials have stated that the agency office is a primary control point for the Tribal Trust Fund and the primary receiving disbursing point for IIM monies.

During field office visits, BIA officials identified representative periods (months, days) for which sample data were obtained. The data sample was limited in scope, and no audit or review of the data was performed.

Exhibit V-2 describes the Tribal Trust Fund receipt activity for over-the-counter and mail receipts collected by the agency offices. The Osage Agency also receives oil and gas royalty

payments through electronic funds transfer (EFT), as shown in Exhibit V-3.

As the processing of requests for checks issued by a Treasury Regional Disbursing Office (RDO) is concentrated in the Branch of Finance and Accounting and completed by the Treasury RDO, individual disbursements of Tribal Trust Funds are generally not tracked at the agency office.

Exhibit V-4 presents a summary of current balances and activity in IIM accounts at each of the agencies visited. Tribal use of IIM accounts is summarized in Exhibit V-5. Much of the time and effort of the finance staff at the agency offices is devoted to the handling of IIM accounts, for which the activity and dollar volumes are significant.

Also of interest in our analysis of cash management improvements is the delay between receipt and deposit of collection, as described in Exhibit V-6. Analysis will address how the delays can be reduced so that collections can earn interest or be invested.

Estimated volumes of mail receipts have been presented in Exhibit V-7 for the purpose of analyzing commercial alternatives such as bank lockbox arrangements.

G. Role of the Area Offices

The specific activities of the area offices pertaining to trust fund management differ from the activities in agency offices. The area office responsibilities include the following:

- o Approval of tribal disbursements
- o Limited review and verification of transactions submitted by agency offices
- o Consolidation of agency receipts and disbursements for entry into the accounting system

1. Anadarko Area Office

Anadarko Area Office has decentralized the controls and responsibilities among the five agencies within its jurisdiction. Detailed control records for trust fund activities are not kept at Anadarko, with the exception of a log of withdrawal of Tribal Trust Funds. The Agency Superintendents have been assigned the overall responsibility for approving tribal budgets and funds withdrawals requests; the Area does verify that the funds are available.

Only one of the Anadarko Area Agencies (Horton) mails receipts to Anadarko for deposit, since there is no local depository for the one agency. All other agencies deposit directly in local depositories and send the accounting transactions to the Area Office for entry into the accounting system.

Agencies in the Anadarko Area receive oil and gas royalty payments through Minerals Management Services (MMS). The BIA Branch of Finance and Accounting procedures include the reconciliation of receipts to the amounts reported to the Treasury. Anadarko reported numerous reconciliation problems associated with MMS receipts.

The administrative groups of Anadarko and Muskogee Area Offices will be merged into one at Anadarko. Anadarko is in the process of implementing a comprehensive IIM system, which will

centralize the control of IIM accounts for both the Anadarko and Muskogee Areas' Agency Offices. IIM checks will be printed at the Area Office.

2. Portland Area Office

The Portland Area Office receives collections from the 13 agencies within its jurisdiction and deposits the receipts in a local depository. In addition to fulfilling this deposit function, the Area Office provides bookkeeping support to the smaller Agencies in areas that require assistance.

Portland maintains manual records of appropriation deposits and investments of tribal funds to assist in reconciling errors or tracing transactions when requested to do so by Albuquerque or an agency office.

The Area Office finance officer indicated that tribal use of IIM accounts as banking services should be discouraged in the Portland Area Agencies. However, the tribes continue to use IIM accounts to keep track of the budget.

CHARACTERISTICS OF AGENCY OFFICES VISITED

<u>Characteristic</u>	<u>Cheyenne River</u>	<u>Colorado River</u>	<u>Osage</u>	<u>Warm Springs</u>
Tribes served	Cheyenne River Sioux	Colorado River Indian tribe Chemehueve Fort Mojave Fort Yuma* Cocopah*	Osage	Warm Springs tribe
Number of tribal appropriations	5	10	13	6
Income sources	Range use payments Agricultural Residential leases Lease execution fees	Agricultural leases Business leases	Oil and gas royalties and bonuses Flood control Agricultural leases	Timber and stumpage Oil and gas royalties
Deposit charac- teristics	Highly seasonal Large volume of small receipts Deposit locally	Highly seasonal Large volume of small receipts Mail deposit to area office	Not seasonal Large volume of large receipts Mail deposit to area office	Seasonal Large volume of large receipts Mail deposit to area office

*Fort Yuma and Cocopah tribes are in the jurisdiction of the Fort Yuma Agency; Colorado River Agency provides financial services.

PROFILE OF TRIBAL TRUST FUND RECEIPTS THROUGH AGENCIES
(OVER- THE- COUNTER AND MAIL RECEIPTS)

<u>Receipt Activity</u>	<u>Cheyenne River Agency</u>	<u>Colorado River Agency</u>	<u>Osage Agency</u>	<u>Warm Springs Agency</u>
1. Range of dollar receipts per month	0	\$222,322-\$347,042	\$196,708-\$1,109,118	\$5,085-\$464,680
2. Range of numbers of receipts per month	0	113-227	216-247	15-46
3. Average receipt amount	0	\$2,215	\$2,064	\$7,279
4. Average total receipts per day receipted	0	\$21,058	\$29,721	\$22,590
5. Average number of receipts per day receipted	0	10	14	3
6. Frequency of receipts	0	Daily	3 - 4 days	1 - 2 days
7. See following exhibit for sources of data.				

Definitions of Receipt Activity

1. Low to high months' dollar receipts
2. Low to high months' numbers of receipts
3. Total of all months' dollar receipts divided by total of all months' numbers of receipts
4. Total of all months' dollar receipts divided by the number of days for which receipts were recorded
5. Average total receipts per day receipted (#4) divided by average receipt amount
6. Number of days for which receipts were recorded divided by the number of working days available for recording receipts

NOTE: Sources of data presented in this exhibit are identified on the following page.

SOURCES OF DATA PRESENTED IN

EXHIBIT V-2
Page 2 of 2

PROFILE OF TRIBAL TRUST FUND RECEIPTS THROUGH AGENCIES
(OVER-THE-COUNTER AND MAIL RECEIPTS)

<u>Cheyenne River Agency</u>	<u>Colorado River Agency</u>	<u>Osage Agency</u>	<u>Warm Springs Agency</u>
1-6. Schedules of Collections, daily for:	1-6. Monthly Journal of Transactions produced by the accounting system for:	1. Manual ledger sheets: July 1982 - June 1983	1-6. Schedules of Collections, daily for:
November 1982 December 1982 June 1983	December 1982 January 1983 February 1983	2. Estimates provided by BIA personnel: April 1983 - June 1983	October 1982 January 1983 June 1983
		3. Average month's receipts per manual ledger sheets for July 1982 - June 1983 ÷ average number of receipts April 1983 - July 1983	Schedules were provided by Portland Area Office.
		4. Total received per manual ledger sheets for July 1982 - June 1983 ÷ number of estimated days receipts were collected based on 6 below	
		5. Estimates provided by BIA personnel: April 1983 - June 1983 ÷ (frequency of days collections--6 below--x number of available days to receipt in April 1983 - June 1983)	
		6. Days collections were received for January 1983 - March 1983 divided by number of available days to receipt in same period.	

ELECTRONIC FUNDS TRANSFER (EFT) RECEIPTS
AT OSAGE AGENCY

EFT Receipt Activity

1. Average EFT dollar receipts per month: \$4,529,968
2. Number of receipts per month: 18
3. Range of individual EFT receipts: \$8,435 - \$1,149,215
4. Frequency of EFT receipts: Due the 25th of the month

Definitions of EFT Receipt Activity

1. Total of all months' dollar EFT receipts divided by the number of months
2. Total of all months' number of EFT receipts divided by the number of months
3. Low to high individual dollar EFT receipt transactions
4. Due date around which EFT receipts were made
5. Source for EFT receipt activity:
EFT call sheets for January, February, April, May, and June 1983.

VI. SPECIFIC REPORTING REQUIREMENTS OF THE OFFICE OF MANAGEMENT AND BUDGET AND THE UNITED STATES TREASURY PERTAINING TO INDIAN TRUST FUNDS

A. Reporting to the Office of Management and Budget on Budget Execution

The Office of Management and Budget (OMB) requires the Bureau of Indian Affairs (as well as other federal agencies) to submit budget execution reports for Tribal Trust Funds, Indian Monies- Proceeds of Labor and Contributions with other Bureau appropriations. Individual Indian Monies (IMM) and Alaska Native Escrow Fund (ANEF) are not reported to OMB as part of the budget execution process.

The budget execution reports are the Apportionment and Reapportionment Schedule (SF 132) and are reported to the OMB as part of the budget execution process.

After Congress passes appropriation bills, BIA submits an SF 132 prior to the beginning of the fiscal year to report the quarterly apportionments of original appropriations. The SF 132 may also be used for reapportionments (revisions to original appropriations). The Apportionment and Reapportionment Schedule identifies the budgetary resources (e.g., appropriations, reimbursements, recoveries of prior year obligations) and the application of the budgetary resources by quarter.

BIA prepares an SF 133 on a monthly basis for each appropriation to inform OMB of budgetary resources, the status of its resources (including obligations incurred and unobligated balances) and the relation of obligations to outlays and accrued expenditures (expenditures and accounts payables). A detailed

listing of obligations is provided on SF 225 in support of the obligation amount reported on the SF 133. Exhibit VI-1 contains a sample SF 133 Report submitted by the Bureau.

From discussions with OMB, Interior and BIA personnel, it appears that the Bureau has complied with the reporting requirements of OMB for budget execution.

~~BIA~~ Reporting to the United States Treasury

BIA and all other federal agencies are required to report receipts and net disbursements for appropriations, funds or receipt accounts on a monthly basis to the Treasury. BIA reports separately on the following appropriations:

1. Revolving funds
2. Investments of trust funds and receipts of awards of Indian claims
3. All other appropriations and funds

BIA prepares and submits separate Statements of Transactions (SF 224) for revolving funds (which do not involve Indian Trust Funds). BIA also submits statements for investments and receipts of Awards of Indian Claims and for all other appropriations (including tribal trust funds, contributions and Alaska Native Escrow Fund). Receipts and disbursements of Individual Indian Monies are similarly reported on a Statement of Accountability (SF 1219/1220). This statement must report activities of funds for which BIA has disbursing authority. Exhibits VI-2 and VI-3 contains sample SF 224 and SF 1219/1220 reports, respectively.

An SF 1179, Recapitulation of Block Control Level Totals of Checks Issued, is also submitted to the Treasury on a monthly

basis to report the Treasury checks and amounts issued by Bureau offices. Detailed listings of checks issued, voided and spoiled are prepared by the Bureau's accounting system and provided as support information.

Prior to January, 1983, the Treasury had the responsibility for reconciling federal agency SF 224 reports with the Treasury generated Statement of Differences. According to Treasury employees responsible for BIA reports, the reconciliation was tedious. They attributed difficulties to the Bureau's internal accounting system. For example, the Bureau splits a deposit into several accounting codes, so that the total deposit is difficult to match between Bureau and Treasury reports. Furthermore, the Bureau and the Treasury systems use different deposit ticket identification schemes, so that only a portion of the deposit ticket number is shared by the two systems. Bureau personnel reported these difficulties as well as the timing differences of the generation of the Bureau and Treasury reports as hindrances to timely and effective reconciliation.

Currently, BIA personnel have responsibility for reconciling the SF 224 and SF 1219/1220 to the Treasury's monthly reports. Procedures have been established to record and maintain unreconciled items until resolved. However, the effectiveness which reconciliations are accomplished is questionable.

Annually the Treasury prepares a Statement of Funds in Accounts (SF 2108) from the Treasury Accounting System to report year end unexpended balances of all of the Bureau's funds (as well as all other Federal agencies). BIA completes the SF 2108 by recording the receivables, payables and undelivered orders amounts at year end. The Bureau signs and returns this report to the Treasury to certify the year end balances as the official

budget results which will be reported to the Congress. The information contained on this report is balanced with that on the SF 133 reported to OMB as discussed previously.

The Treasury also requires the Bureau to submit a Statement of Financial Condition (SF 220) and Statement of Income and Retained Earnings (SF 221) annually. The SF 220 recapitulates the Bureau's general ledger into assets, liabilities and government equity, in a balance sheet format simulating accrual basis accounting of private industry. The SF 221 likewise simulates an income statement for private industry. Trust funds are reported separately from the Bureau's general and revolving funds; IIM and ANEF are not included. Treasury is required by law to report the financial condition and income and retained earnings of the government as a whole.

During discussions with Treasury staff no problems were noted with the Bureau's submission of these annual reports.

REPORT ON BUDGET EXECUTION

Period ended: May 31, 1983

AGENCY		APPROPRIATION OR FUND TITLE AND SYMBOL	
U.S. Department of the Interior		Miscellaneous Trust Fund Appropriation	
BUREAU			
Bureau of Indian Affairs			
DESCRIPTION	14X8365		
BUDGETARY RESOURCES			
1. Budget authority:			EXHIBIT VI-1
A. Appropriations realized.....	289,058,253		
B. Appropriations anticipated (indefinite).....			
C. Other new authority ().....			
D. Net transfers (+ or -).....			
2. Unobligated balance:			
A. Brought forward October 1.....	1,150,729,618		
B. Net transfers (+ or -).....			
3. Reimbursements and other income:			
A. Earned.....(\$).....			
B. Change in unfilled customers' orders (+ or -).....			
C. Anticipated for rest of year.....			
4. Recoveries of prior year obligations:			
A. Actual.....(\$).....			
B. Anticipated for rest of year.....			
5. Portion not available pursuant to P.L.(-)			
6. Restorations (+) and writeoffs (-)....(\$).....			
7. TOTAL BUDGETARY RESOURCES.....	1,439,787,871		
STATUS OF BUDGETARY RESOURCES			
8. Obligations incurred.....(\$ 30,841,281).....	303,172,797		
9. Unobligated balances available:			
A. XXXXXX Treasury Securities.....	425,475,000		
B. XXXXXX CD's in Banks.....	726,401,586		
C. Other balances available.....	-15,261,512		
10. Unobligated balances not available:			
A. Apportioned for subsequent periods*.....			
B. Withheld pending rescission*.....			
C. Deferred*.....			
D. Unapportioned balance of revolving fund*.....			
E. Other balances not available.....			
11. TOTAL BUDGETARY RESOURCES.....	1,439,787,871		
RELATION OF OBLIGATIONS TO OUTLAYS AND ACCRUED EXPENDITURES			
12. Obligations incurred, net (8-9A-9B-4A).....	303,172,797		
13. Net unpaid obligations:			
A. Obligated balance, as of October 1.....	2,271,464		
B. Obligated balance transferred, net (+ or -).....			
C. Obligated balance, end of period.....	1,149,793		
14. Outlays (12+13A+13B-13C).....(\$ 30,335,601).....	304,294,468		
15. Change in accounts payable, net:			
A. Accounts payable, net, as of October 1.....	2,070,220		
B. Accounts payable transferred, net (+ or -).....			
C. Accounts payable, net, end of period.....	1,129,281		
16. Accrued expenditures (14-15A-15B+15C) (\$30,842,743).....	303,353,529		

*From S.F. 132

133-107

GPO : 1977 O - 341-330 (2229)

Donald M. Gray
(Authorized officer)
CHIEF, BRANCH OF FINANCE & ACCOUNTING

JUN 23 1983
(Date)

EXHIBIT VI-2

FORM 2 3300

STATEMENT OF TRANSACTIONS

(Classified According to Appropriation, Fund and Receipt Account, and Related Control Totals) (1)

DEPARTMENT OR AGENCY Department of the Interior	LOCATION: MAIL ADDRESS OF REPORTING OFFICE Br. of Finance & Accounting P.O. Box 127 Albuquerque, N.M. 87103	AGENCY LOCATION CODE (AEC) 14-20-0699
FIELD OR OFFICE Bureau of Indian Affairs		ACCOUNTING PERIOD ENDED June 30, 1983

Section I—Classification of Disbursements and Collections by Appropriation, Fund and Receipt Account

APPROPRIATION FUND OR RECEIPT ACCOUNT (1)	RECEIPTS AND REVOLVING FUND REPAYMENTS (2)	NET DISBURSEMENTS (3)
140/12100		46,976.64CR
140/13920		257.13
141/22100		1,370,882.67CR
141/23920		17,005.80
142/31105(20)		700.00
142/32100		2,649,929.55
143/42100		4,322,157.63
14M 2100		158,460.72
14X 3920		4,371.64
14X 0684		226.15CR
14X 1039		4,192.05CR
14X 2100		169,791.43
14X 2301		9,258,583.68
14X 2364		2,579,553.12
14X 2623		23,946.72
14X 3906		413,074.95CR
14X 3920		887.48CR

STATEMENT OF ACCOUNTABILITY

NAME OF DISBURSING OFFICER Edson W. Wright		LOCATION OF DISBURSING OFFICER (Agency Address) Division of Accounting Management P. O. Box 127 Albuquerque, New Mexico
NAME OF AGENCY Interior - Indian - Division of Accounting Management		AGENCY LOCATION CODE (NARS) (Agency Use Only) 4844
PERIOD OF ACCOUNT FROM April 1, 1983	THROUGH April 30, 1983	

SECTION I—GENERAL STATEMENT OF ACCOUNT

PART A.—TRANSACTIONS DURING PERIOD AFFECTING ACCOUNTABILITY

1.00	TOTAL ACCOUNTABILITY DEBIT SIDE OF PERIOD	.00
2.0	INCREASES IN ACCOUNTABILITY	
2.1	CHECKS ISSUED ON U.S. TREASURY	38,782,996.30
2.2	OTHER TRANSACTIONS	
2.3	DISCREPANCIES IN D.O. ACCOUNTS—DEBITS	
2.4	PAYMENTS BY ANOTHER D.O.	
2.5	TRANSFERS FROM OTHER DISBURSING OFFICERS	
2.6		
2.7	TOTAL INCREASES IN ACCOUNTABILITY	38,782,996.30
3.0	DECREASES IN ACCOUNTABILITY	
3.1	NET DISBURSEMENTS	20,841,754.73
3.2	DEPOSITS PRECREDITED OR MAILED TO BANK	17,841,241.57
3.3	OTHER TRANSACTIONS	
3.4	DISCREPANCIES IN D.O. ACCOUNTS—CREDITS	
3.5	PAYMENTS FOR ANOTHER D.O.	
3.6	TRANSFERS TO OTHER DISBURSING OFFICERS	
3.7		
3.8	TOTAL DECREASES IN ACCOUNTABILITY	38,782,996.30
4.00	TOTAL ACCOUNTABILITY CREDIT SIDE OF PERIOD	.00

PART B.—ANALYSIS OF INCUMBENT OFFICER'S ACCOUNTABILITY

5.1	CASH ON DEPOSIT IN DESIGNATED DEPOSITORY	
5.2	CASH ON HAND	
5.3	CASH—UNREPORTED COLLECTIONS	
5.4		
5.5	CASH IN CUSTODY OF GOVERNMENT CASHERS	
5.6		
5.7		
5.8		
5.9		
6.1	DEFERRED CHARGES—UNRECORDED ITEMS	
6.2	RECEIVABLES—CHECK OVERDRAFTS	
6.3	LOSSES OF FUNDS	
6.4	RECEIVABLES—DISHONORED CHECKS	
6.5		
6.6		
6.7		
6.8		
6.9		
7.0		
7.1		
7.2		
7.3		
7.4		
7.5		
7.6		
7.7		
7.8		
7.9		
8.0	TOTAL OF MY ACCOUNTABILITY	

PART C.—ANALYSIS OF PREDECESSOR OFFICERS' ACCOUNTABILITY

9.1	RECEIVABLES—CHECK OVERDRAFTS	
9.2	LOSSES OF FUNDS	
9.3	OTHER ACCOUNTABILITY	
9.4		
9.5	TOTAL PREDECESSOR OFFICERS' ACCOUNTABILITY	
10.0	TOTAL DISBURSING OFFICE ACCOUNTABILITY CREDIT SIDE OF PERIOD	

I certify that this is a true and correct statement of accountability for the period stated at the office referred to above.

NAME AND TELEPHONE NUMBER OF CONTACT
**Mrs. Blanche B. Martinez
FIS: 474-3393**

SIGNATURE AND TITLE OF CERTIFIER
**Donald H. Gray
Deputy Assistant Service
Special Disbursing Agent**

DATE
MAY 6 1983

SECTION I—SUMMARY BY SYMBOL OF CHECK AND DEPOSIT TRANSACTIONS WITH U.S. TREASURY

EXHIBIT VI-

PART A—CHECKS ISSUED AND ADJUSTMENTS FOR PRIOR PERIODS*

(con't)

CHECK SYMBOL	AMOUNT OF CHECKS ISSUED THIS PERIOD	ADJUSTMENTS FOR PRIOR MONTHS' ISSUES (+ or -)				NYA 6 1297 TOTAL CHECKS ISSUED (Column 2 + 3 and 4)
		BY TFS FORMS 5205		OTHER		
		ISSUE (Month and year)	AMOUNT	ISSUE (Month and year)	AMOUNT	
(1)	(2)	(3)		(4)		(5)
	TC 219		TC 211		TC 212	
4844	38,782,996.30					38,782,996.30
TOTALS:	38,782,996.30		.00		.00	38,782,996.30

PART B—SUMMARY OF DEPOSITS PRESENTED OR MAILED TO BANK (Line 4.2)

DEPOSIT SYMBOL	DEPOSITS PRESENTED OR MAILED TO BANK THIS MONTH	DEPOSITS PRESENTED OR MAILED TO BANK IN PRIOR MONTHS BUT RECORDED IN ACCOUNTS THIS MONTH		TOTAL DEPOSITS PRESENTED OR MAILED TO BANK ** (Column 2 + 4)
		MONTH PRESENTED OR MAILED TO BANK	AMOUNT	
		(1)	(2)	
	TC 420		TC 420	
4844	17,402,195.41	Jan. 1983	(89,708.97)	17,841,241.57
		Feb. 1983	16,301.98	
		Mar. 1983	512,508.15	
TOTALS:	17,402,195.41		639,048.16	17,841,241.57

* The totals reported in these columns must be in agreement with the corresponding amounts reported on SF 1170.

† The total reported in this column must be in agreement with total shown on line 2.1 on the face of this statement.

‡ For use only if more than one (1) symbol is listed.

** The total reported in this column must be in agreement with total shown on line 4.2 on the face of this statement.

VII. LEVEL OF SYSTEMS AUTOMATION IN THE CENTRAL OFFICE IN ALBUQUERQUE AND THE FIELD OFFICES VISITED

A. Summary of Systems Automation

As mentioned in Section I, the Bureau of Indian Affairs (BIA) currently uses time-sharing services provided by Martin Marietta to process the accounting systems, which records trust fund cash receipts, disbursements and investments (as well as all other funds for the BIA). Area offices and the central offices in Albuquerque and Washington, D.C., have computer terminals that give them the capability of entering data and receiving data from the accounting system.

Trust-fund-related transactions are entered and edited by terminals located in the area offices and central offices. The offices transmit the data to the Administrative Services Center (ASC) in Albuquerque, where transactions are consolidated, recorded onto magnetic tape and transmitted to the Martin Marietta Data Center. After the daily accounting system is run, report data are transmitted directly to the offices where reports are printed. Some agencies and area offices have additional data processing capabilities inhouse.

This section identifies the level of systems automation supporting trust fund management in terms of data processing equipment in the BIA's central office in Albuquerque and the data processing support staff located in ASC. We also identify data processing equipment and capabilities in the area and agency offices visited.

VII-2

B. Data Processing Equipment in Area and Central Offices

Exhibit VII-1 lists the data processing equipment located in central office and agency and area offices visited, through which trust-fund-related data are entered into or received from the accounting system. The data processing equipment inventory was provided by ASC staff.

C. Administrative Services Center

ASC provides computer operations, data preparation, communications, technical support, and systems development and maintenance services to the BIA as a whole. Systems development operations and technical support staff in ASC are presented by position in Exhibit VII-2.

D. Data Processing Equipment and Systems in Agency and Offices Visited

Osage Agency has an in-house IBM minicomputer that provides automated support in two areas: (1) the tracking of oil and gas production statistics, and (2) the management of IIM accounts. The IIM system is still in the process of development. One programmer has been contracted to develop the capabilities for maintaining IIM account history and balances. Current IIM system capabilities include monitoring an account holder's name, address and head right shares.

At the Anadarko Area Office, agencies' IIM accounts were in the process of being converted to a comprehensive IIM account system located in the Anadarko Area Office. The Anadarko Area Office IIM System includes capabilities for maintaining account history account balances and for printing checks. The IIM system

VII-3

is part of the Integrated Records Management System (IRMS) developed in the Billings Area Office. The IRMS also maintains and reports tribe enrollment data and information about the leasing and ownership of Indian lands.

STANDARD FORM NO. 64
FISCAL SERVICE
WASHINGTON, D.C. 20540

VOUCHER AND SCHEDULE OF WITHDRAWALS AND CREDITS

Vouch. No. **201258**

(Office billed)

Vouch. No. **313**

(Billing Office)

Disbursing Officer—Office Billed

313
(D.O. symbol)

You are authorized to effect the withdrawals and credits indicated below.

Disbursing Officer—Billing Office

313
(D.O. symbol)

PAID BY
NO CHECK - NO DEPOSIT
OFFICE STATION 333

APR 03 1982

WITHDRAW FROM-			PAY TO- WASHINGTON, DC.		
DEPT of the Interior Bureau of Land Management AGENCY STATION SYMBOL 14-11-0008 Bldg. 50, DFC. Denver, Colorado 80225			DEPARTMENT of the Interior BUREAU of Indian Affairs AGENCY STATION SYMBOL 14-20-0650 ADDRESS Branch of Acctg & Finance Box 127 Albuquerque, N.M. 87103		
BUREAU REFERENCE	SUMMARY		BUREAU REFERENCE	SUMMARY	
	APPROPRIATION OR FUND SYMBOL	AMOUNT		APPROPRIATION OR FUND SYMBOL	AMOUNT
	14F3875(11)	\$4,000.00		14X6140	\$4,000.00
	TOTAL	\$4,000.00		TOTAL	\$4,000.00

List of charges or reference to attached supporting documents

22887 (SLUP) 3-24-82 DT#806172 Confirmed date 3-25-82 - \$4,000.00

Office of office billed

For use of billing office:

Kear Ridge Corp.

Sent to BSC 3-26-82

CERTIFICATE OF OFFICE BILLED

I certify that the items listed herein are correct and proper for payment from the appropriation(s) designated.

04-07-82
(Date)

FRANCIS K. HENSON
(Authorized administrative or certifying officer)

Check No.

C/D No. dated

PORT NUMBER	DATE PRESENTED OR MAILED TO BANK M M D D Y Y	8-DIGIT OR 4-DIGIT AGENCY LOCATION CODE (ALC)	AMOUNT
173477	06-15-83	4844	\$3,672.35

BUREAU OF INDIAN AFFAIRS
DIV OF FINANCIAL MGMT
PO BOX 327 ALBUQUERQUE NM 87103

BUREAU OF INDIAN AFFAIRS
PO BOX 3785
PORTLAND OR 97208

PORTLAND BRANCH FEDERAL RESERVE BANK
OF SAN FRANCISCO CA - PORTLAND OR

THIS COPY CANNOT BE CONFIRMED

DEPOSITOR TITLE DEPARTMENT OR AGENCY AND ADDRESS

DO NOT RETAIN THIS COPY FOR INTERNAL USE.
SUBMIT THIS COPY TO DEPOSITORY.

AGENCY COPY

JUN 15 1983

FORM 215 (REV. 5-78)
ISSUED BY DEPT. OF TREASURY
215-102

DEPOSIT TICKET

DEPARTMENT OF THE TREASURY
BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

PORT NUMBER	DATE PRESENTED OR MAILED TO BANK M M D D Y Y	8-DIGIT OR 4-DIGIT AGENCY LOCATION CODE (ALC)	AMOUNT
173500	06-15-83	34-20-0699	7,914.07

BUREAU OF INDIAN AFFAIRS
DIV OF FINANCIAL MGMT
PO BOX 327 ALBUQUERQUE NM 87103

15X5240A/R	6,641.63	14X4404	350.00
142881	5.03	1432100	309.40
142477	8.33	1442100	380.58
15X5875(20)	217.20		

BUREAU OF INDIAN AFFAIRS
PO BOX 3785
PORTLAND OR 97208

PORTLAND BRANCH FEDERAL RESERVE BANK
OF SAN FRANCISCO CA - PORTLAND OR

THIS COPY CANNOT BE CONFIRMED

DEPOSITOR TITLE DEPARTMENT OR AGENCY AND ADDRESS

DO NOT RETAIN THIS COPY FOR INTERNAL USE.
SUBMIT THIS COPY TO DEPOSITORY.

AGENCY COPY

JUN 15 1983

FORM 215 (REV. 5-78)
ISSUED BY DEPT. OF TREASURY
215-102

DEPOSIT TICKET

DEPARTMENT OF THE TREASURY
BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

PORT NUMBER	DATE PRESENTED OR MAILED TO BANK M M D D Y Y	8-DIGIT OR 4-DIGIT AGENCY LOCATION CODE (ALC)	AMOUNT
14052	06-15-83	34-20-0699	378.00

BUREAU OF INDIAN AFFAIRS
DIV OF FINANCIAL MGMT
PO BOX 327 ALBUQUERQUE NM 87103

34X7472 A/R

BUREAU OF INDIAN AFFAIRS
PO BOX 3785
PORTLAND OR 97208

(7) NAME AND ADDRESS OF DEPOSITORY
PORTLAND BRANCH FEDERAL RESERVE BANK
OF SAN FRANCISCO CA - PORTLAND OR

THIS COPY CANNOT BE CONFIRMED

DEPOSITOR TITLE DEPARTMENT OR AGENCY AND ADDRESS

DO NOT RETAIN THIS COPY FOR INTERNAL USE.
SUBMIT THIS COPY TO DEPOSITORY.

AGENCY COPY

JUN 15 1983

PROCESS DATE 07/03/83

PAGE 1

SCHEDULE OF CERTIFICATES OF DEPOSIT (C.D. 204) AND
RELATED DEBIT VOUCHERS (FORM 5500) IN SUPPORT OF
STANDARD FORM 1178 FOR THE PERIOD

ENDING 06-30-83 FOR

INTERIOR
BUREAU OF INDIAN AFFAIRS
BRANCH OF FINANCIAL MANAGEMENT
P.O. BOX 127
ALBUQUERQUE, NEW MEXICO

ORIGIN
DISBURSED SYMBOL

CONFIRMED DATE	C.D. NO.	AMOUNT
01/04/83	CT0180000	225.00
01/17/83	CT0110000	2,120.48
01/03/83	CT0165700	-1,424.01
01/03/83	CT0165707	-1,162.24
01/03/83	CT0180751	-9,071.27
01/03/83	CT0180755	9,071.27
01/04/83	CT0180000	210,571.00
02/14/83	CT0241000	-854.00
03/10/83	CT0381000	-1,000,000.00
03/21/83	CT0381000	1,000,000.00
03/11/83	CT0380700	-300.05
03/10/83	CT0380000	.14
03/14/83	CT0380000	.14
03/24/83	CT0380000	-443.49
03/28/83	CT0380000	-443.49
04/13/83	CT0407700	.00
04/07/83	CT0407700	.00
04/08/83	CT0407700	.00
06/09/83	CT0407700	.00
05/11/83	CT0407700	50,455.58
05/19/83	CT0507700	400,730.62
05/25/83	CT0507700	.00
05/02/83	CT0507700	61,007.15
05/20/83	CT0507700	.00
	CT0507700	-1,001.57

DATE 03/31/82

GENERAL LEDGER DETAIL LIST

MAR 82

PAGE 11393

GENERAL FUNDS

ACTY LOC	YAPRO	ACTY	EXIN	WPK	PROG	OBJ	OTHER	ACT	ACCT	NORM	BEGINNING	BEGINNING	MTM	CURRENT	CURRENT
											YEAR	CURRENT	YEAR	MONTH	BALANCE
N33	---	22100-	3100	----	----	----	----	1	422.00	CR	.00	955.80	.00	955.80	
N32	---	22100-	3101	----	----	----	----	1	422.00	CR	.00	5649.02	1853.10	7502.12	
N33	---	22100-	3101	----	----	----	----	1	422.00	CR	.00	79458.44	20985.66	100442.10	
N34	---	22100-	3101	----	----	----	----	1	422.00	CR	.00	13261.35	5808.38	19069.73	
N35	---	22100-	3101	----	----	----	----	1	422.00	CR	.00	17465.50	13347.91	30813.41	
N36	---	22100-	3110	----	----	----	----	1	422.00	CR	.00	11143.55	3472.35	14615.90	
N37	---	22100-	3110	----	----	----	----	1	422.00	CR	.00	356.40	121.50	477.90	
N38	---	22100-	3500	----	----	----	----	1	422.00	CR	.00	71.55	0.75	78.30	
N39	---	22100-	3500	----	----	----	----	1	422.00	CR	.00	7304.11	7304.11	.00	
N40	---	22100-	3500	----	----	----	----	1	422.00	CR	.00	1764.18	75.62	1839.80	
N41	---	22100-	3500	----	----	----	----	1	422.00	CR	.00	6127.31	541.12	6668.43	
N42	---	22100-	3500	----	----	----	----	1	422.00	CR	.00	14811.14	3680.66	20491.80	
N43	---	22100-	3500	----	----	----	----	1	422.00	CR	.00	100684.62	25004.89	125689.51	
											.00	2594.52	2267.09	4861.61	
UNAPPROPRIATED FUNDS															
								1	422.00	CR	348176.89	1785762.43	187345.43	2321284.75	
N01	---	22301-	1000	----	----	----	----	1	605.00	DB	.00	.00	1425000.00	1425000.00	
N01	---	22100-	3060	----	----	----	----	1	605.00	DB	.00	3375000.00	.00	3375000.00	
N01	---	22100-	3200	----	----	----	----	1	605.00	DB	.00	.00	4700.00	4700.00	
N01	---	22100-	3500	----	----	----	----	1	605.00	DB	.00	.00	3500.00	3500.00	
N01	---	22100-	3700	----	----	----	----	1	605.00	DB	.00	.00	400000.00	400000.00	
N01	---	22100-	3800	----	----	----	----	1	605.00	DB	.00	.00	7400.00	7400.00	
											.00	.00	10000.00	10000.00	
ESTIMATED REIMBURSEMENTS															
								1	605.00	DB	.00	3375000.00	1850400.00	3225400.00	
N01	---	22100-	3060	----	----	----	----	1	605.10	DB	.00	.00	56110.57CR	56110.57CR	
N01	---	22100-	3500	----	----	----	----	1	605.10	DB	.00	.00	9022.53CR	9022.53CR	
N01	---	22100-	3800	----	----	----	----	1	605.10	DB	.00	.00	2470.00CR	2470.00CR	
ESTIMATED REIMB BILLED OR COLLECTED															
								1	605.10	DB	.00	.00	67403.10CR	67403.10CR	
N31	---	A3920-	1971	----	9308	----	----	1	610.11	CR	.00	2.70	.00	2.70	
N31	---	A3920-	1971	----	9308	----	----	1	610.11	CR	.00	13.50	.00	13.50	
N31	---	A3920-	1971	----	9308	----	----	1	610.11	CR	.00	.00	13.50	13.50	

APPENDIX B

LIST AND SAMPLES OF FORMS USED IN THE
INVESTMENT PROCESS

<u>Letter</u>	<u>Title</u>
A	Investment Instructions--phone discussion record form
B	Portion of form A to be completed after written confirmation is received
A-1	Telephone Confirmation ISSDA Cash--form
A-2	Transactions Against ISSDA General Ledger Account Number 104.00--Report
A-3	IIM Status of Funds--form
A-4	Cash balance from called-in receipts and disbursements spread sheet
C	Treasury Market Securities--Purchase form
D	Accounts Distribution--form
E	List for Return of Certificates of Deposit
F	Form letter for cashing maturing CD's
G	CD slip
H	Telegraph Instructions for wire transfer of funds
I	Bid Sheet recording form
J	A Special Report 3 for BIA Investments
K	Telegraph instructions of transfer of money to a bank
L	Telegraph confirmation of collateral pledged
M	Written confirmation of collateral

<u>Letter</u>	<u>Title</u>
N	Confirmation of EFT Transfer
O	CD negotiation sheet
P	Interest rate spreadsheet
Q	Trust Fund Investments report
R	Written confirmation of telephoned purchase of Market Bills
R-1	Written confirmation of telephoned redepmtion of Market Bills
S	Tribal Trust Investment Instructions
T	Tribal Trust Daily Audit Trail
U	Notification to Controls of investment
V	Actions taken in the disposition of invested trust funds
W	Notification of early redemption
X	Journal Voucher, tribal trust investment buyout by IIM Fund
Y	Summary of Trust Funds
Z	Trust Funds--Investment Maturity Area Report
AA	Weekly Information Regarding Interest Rates
AB	Request for Instructions as to Disposition of Maturing Investments

INVESTMENT INSTRUCTIONS

(A)

Name _____

Date _____

Maturity
Date

Tribe

Other Ident

Amount

Term:

Return to Treasury:

Approp

Activity

Amount

Set Up _____

New Investment

Approp

Activity

Amount

(B)

TREASURY MARKET SECURITIES -- PURCHASE (C)

Pur Date _____ Mat Date _____ Price _____ EY _____ Earnings \$ _____ Per \$ Cost _____

Order #	#	Tribe	Approp Act	Remarks	Face	Discount	Interest	Cost

Available

CC: Treas Sec Controls(2) Tribes TW FK JO JA RMB

DEPARTMENT OF THE TREASURY
FISCAL SERVICE
BUREAU OF GOVERNMENT FINANCIAL OPERATIONS
WASHINGTON, D.C. 20226

(M)

921445

RECEIVED

DEPT. OF INDIAN AFFAIRS
BRANCH OF INVESTMENTS

Mr. John Vale
Chief, Branch of Investments
Bureau of Indian Affairs
P. O. Box 886, 500 Gold Ave., SW
Albuquerque, NM 87103

Dear Mr. Vale:

MAY 25 1983

The authority to maintain Government accounts for the designated
depository named below has been changed as indicated:

Name of Financial Institution: Bank of America, NT&SA
San Francisco, California

Account: Indian Trust Funds

Authority changed from \$151,719,761.69 To \$141,719,761.69

Effective date: ~~NOVEMBER 1982~~

Any further changes in the authority of the depository to maintain
above-mentioned accounts will be reported to your office. the

Very truly yours,

Ruth A. Williams
Ruth A. Williams
Financial Systems Assistant

Keep Freedom in Your Future With U.S. Savings Bonds



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Branch of Investments

P. O. Box 886
Albuquerque, New Mexico 87103

August 1, 1983

Get Bills For

R purchase

Treasury Department
Appropriation & Investment Branch
Room 516, Annex #1
Washington, DC 20226

Written confirmation of telephoned purchase of Market Bills:

Order No. 2747
Delivery 7-20-83
Maturity 8-11-83
Face \$ 1,265,000.00

Chief, Branch of Investments, in trust for

- ☐ 14X6039 Individual Indian Money
- ☐ 14X6140 Alaska Native Easrow
- ☐ 14X6703 INPL Easrow
- ☒ 14X8365 Indian Tribal Funds
- ☐ 14X8563 Contributed Funds

Chief, Branch of Investments



United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
Branch of Investments
P. O. Box 886
Albuquerque, New Mexico 87103

Mkt Bills Redempt

R. Redemption

August 9, 1983

Treasury Department
Appropriation & Investment Branch
Room 516, Annex #1
Washington, DC 20226

Written confirmation of telephoned redemption of Market Bills:

Redemption 3-8-83
Maturity 8-11-83
Face \$ 1,000,000.00

Chief, Branch of Investment, in trust for

- ☒ 14X6039 Individual Indian Money
- ☐ 14X6140 Alaska Native Easrow
- ☐ 14X6703 DGPL Easrow
- ☐ 14X8365 Indian Tribal Funds
- ☐ 14X8563 Contributed Funds

W. H. Hall
Chief, Branch of Investments



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Branch of Investments
P. O. Box 886
Albuquerque, New Mexico 87103

I-10

March 8, 1983

The following actions were taken in disposition of invested trust funds (and/or new funds from U. S. Treasury):

On 3-1-83
For ETO A48 ALEUT
Approp 2650
Activity 2650
Funds Returned
to Treasury \$
New Investment \$
Amount Invested \$ 714,339.45

Maturity Date 2-2-83
Purchase Date 3-1-83
Number of Banks 2
Average Interest
Rate Per Annum 9.70
Total Invested \$ 714,339.45

Instructions as to disposition of this investment at maturity should be furnished to reach this office no later than

8-31-83

(In absence of instructions, all funds will be reinvested approximately 30 days.)

Sincerely yours,

John W. Vale
Chief, Branch of Investments



IN REPLY REFER TO:
Investments

United States Department of the Interior
BUREAU OF INDIAN AFFAIRS

P. O. Box 886
Albuquerque, New Mexico 87103

I-9A

April 1, 1903

This is to inform you of action taken regarding the early redemption
of invested trust funds in U. S. Treasury Bills for EGO AAC ALUT

U. S. Treasury Bills

1. Proceeds from early redemption:	\$ <u>305,375.43</u>
2. Cost:	\$ <u>305,000.00</u> 0680 2619
3. Earnings:	\$ <u>375.43</u> 0680 2619 A/E
4. Date redeemed:	<u>3-31-03</u>
5. Date Purchased:	<u>3-20-03</u>
6. Original maturity date:	<u>4-07-03</u>

The interest earnings previously reported to you will not be realized
because the Treasury bill was redeemed prior to maturity.

<u>Aporop</u>	<u>Activity</u>	<u>Cost</u>	<u>Earnings</u>
---------------	-----------------	-------------	-----------------

cc: Tribe
JVale:jma

Sincerely yours,

John W. Vale
Chief, Branch of Investments